

## Women with small businesses facing hard times

*They must be given financial assistance to restart*

AS the country's economy has been hit hard by the pandemic, unemployment and loss of income have become a sad reality for the women entrepreneurs running boutiques and around thousands of female artisans who hand-stitch clothes for these boutiques in the eight northern districts of the country. The entrepreneurs have not only counted heavy losses but are also worried that they might not recover the capital they have invested in the business as they have been unable to sell the clothes they had made targeting the year's two most lucrative selling periods—Pahela Baishakh in April and Eid-ul-Fitr last month. They could not pay the female artisans who work for their boutiques and have been struggling to pay rent, utility bills, and staffers' salaries for the last few months. The situation of the artisans is much worse as they are not getting new orders from boutiques after shops reopened and many fear that they could be without work and pay for months to come.

Under the circumstances, it is not possible for these women entrepreneurs to restart their work as many of them had started their business with all their life's savings and some even borrowed money to invest. They need financial assistance to start over again.

The government should immediately provide the female entrepreneurs and artisans with financial support so that they can recover the loss and get back on their feet again. Bangladesh Women Chamber of Commerce and Industry should also provide them with the necessary assistance and find ways to help them sell their products online. Additionally, banks should also come up with plans to support them—they can provide them with loans at low interest rates so that they can restart their business. The government has been taking various measures to contain the fallout from the pandemic. We hope that it would also announce special incentives for the female entrepreneurs and artisans to save them from financial hardship.

## Coastal embankment requires more investment

*It will save lives and homes*

WE believe there is merit in the call of the experts urging the government to protect the vast multitude of people living in coastal areas by providing budgetary allocation for embankment under the local government. The experts, participating in a virtual conference also called upon the government to allocate at least Tk 12,000 crore per year for embankment construction.

Every year there is accretion of sediments adding to our land mass in the delta region. And demographic pressure compels people to seek newer pastures here. Coastal areas are susceptible to cyclones and surges that wreak severe damage to both land and homestead. Cyclone Amphan last month, caused major damage to the coastal embankment washing away parts and inflicting cracks or breaches in many other points through which sea water entered inside the embankment, inundating dwellings of hundreds of people.

It is not that the government is not alive to the problem. It has several coastal embankment projects under various nomenclatures. There was the Coastal Embankment Project (CEP) implemented during the 1960s and early 1970. And following the two severe cyclones, SIDR and AILA, that hit the coastal zone with devastating effect, the Coastal Embankment Improvement Project, and under it various other schemes, were formulated with international financing.

But the problem is that the long network of embankments, running into hundreds of miles, seldom stands a storm surge. The standard of work and of course poor quality of construction materials combine to render these protection measures brittle. There is need to construct newer embankments every year, apart from regular repair and maintenance.

Storms and storm surges are things we have to live with. The problem has been compounded even more by the climate change phenomenon which lays the vast swathe of the coast vulnerable to submersion permanently. And these embankments suffer damage not only due to natural causes but by human activity also.

We believe that there is logic in the suggestion that the allocation be made to the local government. That would make repair work easier to manage and oversee, and the reaction to damage can be quicker than what we have seen in the recent past. The post-Amphan scenario is a case in point. Coastal embankments require regular repair and maintenance, and thus incremental funding, under this head specifically.

## LETTERS TO THE EDITOR

letters@thedailystar.net

### Salute to those on the frontline

As an ordinary citizen, I feel immensely proud of all the workers on the frontline serving our nation diligently ever since the pandemic broke out. Healthcare providers, law enforcement officers, journalists and many other professionals, continue to do what they are supposed to. They continue to work to help keep the country running during such difficult times. Had they not done so willingly, things would have fallen apart. Many of them have families, yet they have risked it all knowing that they are up against a deadly virus.

It should be noted that many have lost their lives while performing their duties on the frontline. And I believe they are nothing short of heroes. It is for their collective efforts that we are able to maintain balance in our society. I am thankful to them for what they are doing and I pray for their wellbeing and prosperity.

Shamim Iqbal, Dhaka

# Seven aspects of budget for FY2021

## MACRO MIRROR



FAHMIDA KHATUN

THE finance minister of Bangladesh deserves thanks for presenting the national budget for fiscal year (FY) 2021 at a time when the implications of Covid-19 (C19) pandemic is dire. However, apart from reshuffling of numbers here and there the proposed budget could not meet our expectations. This is because the multi-dimensional aspects of Covid related crisis have been ignored. Instead, the budget focused on the usual sectors in the usual manner. Moreover, due to unrealistic assumptions and unreliable numbers, the budget could not gain the confidence of larger sections of people.

### GDP coming from nowhere!

The loss to the economy due to C19 is insurmountable and beyond control. Therefore, all economic aggregates are to be re-estimated constantly in the new context. The Centre for Policy Dialogue (CPD) estimated that Bangladesh's growth of gross domestic product (GDP) would be 2.5 percent in FY2020. The World Bank, in its June 2020 estimation revised Bangladesh's growth downward to 1.6 percent in FY2020. In April 2020, the International Monetary Fund (IMF) estimated Bangladesh's GDP to be 2 percent in 2020. The IMF projected India's growth to be 1.9 percent and China's 1.2 percent in 2020. The World Bank forecasted India's growth to be negative (-) 3.2 percent and China's only one percent in 2020.

But the Bangladesh's finance ministry ignores the impact of C19. Belying all facts on the ground, it projects Bangladesh's GDP growth to be 5.2 percent in the outgoing FY2020 and 8.2 percent for the upcoming FY2021. Where will Bangladesh's GDP come from? The following numbers will give us a clue.

### 'V' shaped recovery path?

While impact of C19 is still uncertain, the finance ministry seems to already imagine a "V" shaped recovery path with the hope that Covid will vanish soon and Bangladesh economy will turnaround by June 2021. In the budget document, private investment which is a major source of growth, is revised downward to 12.7 percent for FY2020 but projected to be 25.3 percent of GDP in FY2021—a magical jump of 12.6 percentage point in a Covid year. What this implies is that in order to achieve this additional investment growth, about Tk 446,000 crore will be required in FY2021. This is indeed a 125.2 percent increase from Tk 356,330 crore in FY2020 estimated by the finance ministry. And this humongous increase in private investment is supposed to be achieved by a credit growth of 16.7 percent in FY2021. Really! Similarly, export growth target has

been set at 15 percent in FY2021 from a negative (-) 10 percent in FY2020. Import is projected to grow by 10 percent in FY2021 from a negative (-) 10 percent in FY2020. Growth of remittance is projected to be 15 percent from 5 percent in FY2020. When oil price is estimated to fall by 47.9 percent in 2020 and most of Bangladesh's remittance flow comes from the oil rich middle eastern countries, how remittance will pick up within such a short period is unclear.

Such individuals having untaxed and undisclosed money can also invest in the capital market and show this in their tax returns on paying tax at a rate of only 10 percent on the value of the investment. Needless to say, government's desperate attempt to attract the black money holders has hardly been successful. Since independence, only about Tk 18,000 crores were collected through this measure. Out of this Tk 9,683 crores were collected in 2007 and 2008 during the regime of the

response and pandemic preparedness" co-financed by World Bank. Of course, inadequate resource is only a part of the story, and mismanagement and corruption are another story in the health sector.

### Employment generation and new world of work

Along with domestic informal and formal sector employees, thousands of returnee migrants have joined the pool of jobless people. But, ministries such as Ministry of Industries, Ministry of Youth and Sports, Ministry of Labour and Employment, and Ministry of Expatriates' Welfare and Overseas Employment have received insignificant amounts to deal with the C19 induced unemployment problem.

It is a harsh reality that many people will not see their jobs returning to them even during post-Covid period. This is not only due to long recovery path, but also because the need for those jobs will disappear. C19 has exposed us to a virtual world and a technology-based world. Many will not need to be physically present at the workplace anymore. A laptop or even a mobile phone with internet connection is all that is needed. The increase of supplementary duty on mobile phone services in the budget is not a measure in that direction. This is contradictory to the desire of giving more opportunity to access smart phones to facilitate our work. This will be a burden on the poor.

### Social safety net for all!

Good news is that the allocation for social safety net programmes (SSNPs) has been increased to 3 percent of GDP in FY2021 from 2.58 percent in FY2020. But as before, pension for government employees takes a large share of SSNP allocation. This year another component titled interest payment on savings certificate has been added on the SSNP list. Two issues need to be clarified here. First, the finance ministry officials claim that pension payment is not for government employees. Then who are they? They are not retired employees of the private sector or non-government sector. Moreover, the SSNP list clearly includes a line item on pension for government employees. Second, they also say that SSNPs are not for the poor only, it is for all. Yes, of course, that is what it should be. In many countries there are schemes such as universal pension schemes, universal healthcare, education for all, etc. Understandably, given the resource constraints, Bangladesh is not in a position to introduce those schemes now, though the proposed National Social Security Strategy of Bangladesh has suggested those in 2015. Therefore, until and unless we introduce those universal schemes, SSNPs should only be for the poor, not for any other sections of the society. There should not be any confusion on this simple message.

Dr Fahmida Khatun is the Executive Director at the Centre for Policy Dialogue.



### Resource mobilisation to have a magical rate!

Challenges of domestic resource mobilisation through National Board of Revenue (NBR) is well known. Narrow tax net, high tax avoidance and large illicit financial flow could not be resolved in the absence of any meaningful reform of the tax system. As a result, tax-GDP ratio remains shamefully low at 11.2 in the revised budget for FY2020. In the upcoming budget revenue mobilisation is estimated to grow by 8.6 percent. However, this projection fails to take into account the fact that the shortfall of collection in FY2020 will be much more than what is projected. Revised target is Tk 348,069 crores, but CPD projects it to be Tk 252,811 crores. And budget target for FY2021 is Tk 378,000 crores. Which means revenue mobilisation effort has to be 49.5 percent higher in FY2021. Do we have a magic wand to do this during Covid year?

### Futile and unfair opportunity for black money

Keeping the tradition of previous years, the opportunity for whitening untaxed and undisclosed money has been upheld in the budget for FY2021. Individuals are allowed to disclose any type of undisclosed house property including land, building, flat and apartment by paying tax at a certain

caretake government. This indicates that without a massive drive, only the mere announcement does not work. After all, if these people really wanted to pay tax on their income, they would not be tax evaders in the first place. And once they enter the tax net they are recorded forever. So why would they fall into this trap? But the most important issue regarding such opportunity is that this measure is wrong on ethical grounds and an injustice to honest taxpayers.

### Where is the money for priority sectors?

None of the priority sectors such as health, social safety net, agriculture, and employment generation could make it to the top five in the Annual Development Programme (ADP). The share of health, nutrition, population and family welfare in ADP of FY2021 remained at 6.4 percent as it was in FY2020. In terms of sectoral allocation, the health sector saw a rise of only 0.08 percent in terms of its share in GDP. Allocation depends on the utilisation. And budget utilisation has worsened significantly over the past decade. However, during the pandemic the health ministry could have formulated a few projects quickly. In the ADP, there is only one new project namely "Covid-19 emergency

# Transparency and accountability of government actions during Covid-19 pandemic

SHAMSUL BARI and RUHI NAZ

THE Covid-19 pandemic will be recorded as one of the most consequential events in human history. A small part of that history will relate to how governments interacted with their populations in responding to the crisis.

A menace of such magnitude calls for a combined effort of people and their governments. As part of that effort, people need more detailed information on all government efforts to fight the menace. Even ordinary citizens, generally satisfied with the amount of information they receive from their governments in normal times, felt the need to know more about the way their governments dealt with the crisis and spent huge amounts of public funds. How well was the government prepared to fight the menace? Was public fund being spent accountably? Were all decisions based on proper reasoning? Did public interest override other factors in government decisions? What measures were taken to ensure that financial and other assistance for the affected population reached the rightful claimants and the economic stimulus packages were not pilfered?

In normal times, socially alert citizens would seek answers by using the Right to Information (RTI) or Freedom of Information (FOI) Acts to access government records. In the heightened atmosphere of the pandemic, even citizens who are not usually activists realised that critical information was sometimes lacking. It is the "information behind information"—the whys and hows—which are not normally disclosed, that contain the full picture. Covid-19 instilled a general awareness among ordinary people about the importance of such undisclosed information. This is evident from the many gripes, critical write-ups and comments posted/expressed in the media, including the burgeoning social media. The growing unease of governments about them is testimony to their impact.

Unfortunately, however, the lockdowns imposed by governments to contain the virus had also affected the operation of the information regime in many countries, including Bangladesh. RTI/FOI activities came to a stand-still in these countries in the early phases of the lockdowns, making it impossible for the public to access critical government information.

In some countries, as in India, a few die-hard RTI crusaders managed to keep the doors of RTI open, at least virtually. In other countries, many sought to link up online with the global RTI/FOI fraternity to devise strategies to meet the challenges. The pandemic helped them to unite both to safeguard the regimes and strengthen their cooperation with each other for the tasks ahead. The introduction of inconceivably large sums of public money, perhaps the highest ever allocated in the history of the affected nations, to meet the medical and economic exigencies, inevitably raised accountability concerns in the minds of many. For the more RTI-minded population, it was a responsibility they must take seriously.



Transparency regimes are an important tool to keep governments on a leash, particularly during critical times.

In a historic crisis like this, citizens can legitimately ask to see public records on various aspects of government response. Samples of concerns drawn from different countries show a common pattern. They include: copies of all coronavirus-related contingency plans of public entities concerned; data on stockpiles of medical equipment; records of response team meetings; communications among relevant agencies and officials; situation assessment reports at medical facilities; data on testing, infection rates, deaths, etc.; data on supplies of medical equipment; purchasing orders/contracts for equipment, such as ventilators; government agency interactions with private companies; inspection reports

on private organisations, such as nursing homes; information on processing of economic aid; public funds appropriated to help mitigate economic effects of the pandemic and much, much more.

Many Covid-19 related RTI/FOI requests were made on above and other concerns to national authorities. A few examples from neighbouring India may help the fledgling RTI community in Bangladesh know how the RTI Act was used to promote transparency and accountability in government work even during the lockdown. They may also be instructive for our Information Commission to appreciate that, with commitment, it is possible to find ways to help people exercise their fundamental

received Rs 342 crore of which Rs 23.82 crore had been spent on controlling the virus's spread and Rs 55.20 crore went towards facilitating the journey of migrant workers to their home states. The Information officer furnished details of the deposited and allocated amounts.

In a landmark case, one of India's most prolific RTI activists, Venkatesh Nayak, sought data from the Union Ministry of Labour and Employment on migrant workers who were stranded across the country due to government lockdowns. Not receiving the data, he complained to the Central Information Commission. In its legally binding advisory, the Commission asked the Chief Labour Commissioner to upload on its official website all data it had on migrant workers stranded across the country. This was done soon. The Central Information Commission had also reprimanded the office of the Chief Labour Commissioner for the "callous and non-serious attitude" of its Information Officer.

In a similar complaint by the same activists, the Central Information Commission issued an advisory to the Union Ministry of Health and Family Welfare, to provide the district-wise number of hospitals and healthcare facilities designated as Covid-19 treatment centres on their website. Notably, the Commission dealt with the complaint on an urgent basis, because the applicant had invoked a specific section of the RTI Act 2005, which stipulated that in matters concerning the life and liberty of individuals, an RTI request must be responded to within 48 hours of its receipt. In Bangladesh that period is 24 hours, though it is hardly ever used.

The Covid-19 pandemic has highlighted the immense value of RTI/FOI laws to advance close government-people interaction in difficult times and underlined the importance of transparency and accountability in government work to earn peoples' trust during such times. Experience gained from world-wide government engagements to face the unparalleled challenges it threw up show how such trust, or the lack of it, can affect peoples' response to them. It also provides vital lessons for governments for the critical tasks that lie ahead both to stop further onslaughts of the deadly virus and recover from the terrible damage it caused.

Shamsul Bari and Ruhi Naz are Chairman and Coordinator (RTI) respectively of Research Initiatives, Bangladesh (RIIB). Email: riib@ritech-bd.com