

# The Daily Star

FOUNDER EDITOR  
LATE S. M. ALI

DHAKA MONDAY SEPTEMBER 7, 2020, BHADRA 23, 1427 BS

## Hold those responsible for mosque explosion to account

*Govt must ensure an impartial investigation and speedy justice*

By now, we have all heard of the deadly explosion in a Narayanganj mosque on Friday night that has led to the tragic deaths of 24 people, including two children, and has severely burnt at least 20 other people. The eyewitness accounts and testimonies of grieving family members are heartbreaking—it is difficult to imagine how they will ever come to terms with losing their loved ones in such a terrible accident.

But is it ever an “accident” when such gross negligence is involved? According to a report in this daily yesterday, one or more leaky gas pipes left unfixed for over a month is the root cause of the explosion. Local residents have blamed Titas Gas Transmission and Distribution Company, saying they refused to fix the problem and demanded Tk 50,000 for the job, despite mosque attendees smelling gas in the air and noticing a “constant bubbling” in the rain water next to the building for over a month. Titas officials claim no official complaint was made. However, mosque management committee secretary Abdul Hamza Saud, who is now fighting for his life at Dhaka Medical College Hospital, is reported to have visited the Titas office about 20 days ago to inform them about the problem. Given multiple reports about a gas leak and the very obvious smell of gas in the air, why did Titas and the local authorities not come forward to deal with this issue? Why was the mosque not identified as unsafe premises and closed until the problem could be fixed?

So far, three probe committees have been formed—by the deputy commissioner of Narayanganj, by the Fire Service and Civil Defence and by Titas respectively—to investigate the deadly explosion. These committees can't go on investigating indefinitely, as is quite often their wont. The investigations should be conducted speedily and impartially, and the government must ensure that those responsible for the negligence that caused this accident get their rightful punishment. Raima Begum, who watched her six year old son die in agony, rickshaw puller Anwar Hossain, who will never see his eldest son Rifat complete his HSC exams, and all the grieving family members of the deceased deserve nothing less than speedy justice.

## Revive the jute mills and pay workers their dues

*Govt should take every decision judiciously*

WHEN the government closed down the 25 jute mills operating under the Bangladesh Jute Mills Corporation (BJMC) on July 1, it said that the mills will be modernised and re-opened under PPP (Public-Private Partnership), joint venture or lease process and the laid-off workers will be given priority while manning these modernised mills. The prime minister at that time gave directives to place a proposal before her on how the closed jute mills can be restarted and survive competing with local and international markets. She also directed the officials concerned to prepare the list of workers of the state-run jute mills within three days and send their dues directly to their bank accounts. Two months after the shutdown of the mills, have the laid-off permanent and temporary workers been paid their dues? Has there been any progress in the government's plan to modernise and reopen the mills?

As the government has been planning to facilitate private sector-led enterprise development, the first step they should take is clear all the liabilities and bills of BJMC. For that a proper financial audit and valuation of assets of BJMC entities are needed. Then the government should allocate necessary funds to clear the dues of the 25,000 workers. There is also no need for operating the BJMC under such a large organogram with staff at the head offices and the mill offices. So, the government should scale down the BJMC into a small unit under the ministry.

Of the 25 mills closed, many are in good locations with ready-to-use infrastructure such as ready land, electricity and gas supply and available workforce, which could attract both local and foreign investors to set up medium and large-scale enterprises. These mills and lands should be utilised properly. At the same time, the government should promote small and medium scale jute mills and private sector investors should be able to purchase machineries from the closed jute mills to set up such mills across the country.

Moreover, in order to create and increase the demand for jute products in the local market, the government should properly enforce the Jute Packaging Act 2010 which makes the use of jute bags in packing food stuff and farm produces mandatory.

And most importantly, while going for privatisation of all these dead jute mills, the government must not forget the plight of the laid-off workers. It should clear all the dues of the workers as soon as possible and prioritise employing them in the modernised mills. These are a few of the issues the government and the jute ministry should consider while planning to revive this sector.

## LETTERS TO THE EDITOR

letters@thedailystar.net

### Will smoking ever be banned?

It is extremely important to ban smoking as the consumption of tobacco products is severely harmful for our health and our surroundings. Even more so, during the ongoing pandemic.

There is a Tobacco Products Act 2005 (Amended 2013), but there is no proper enforcement of this law. It is also necessary to stop the advertisement of cigarette smoking in public places. I earnestly request the authorities to issue a warning on smoking and the consumption of tobacco products including the promotion and advertisement of cigarettes as it continues to destroy countless lives in Bangladesh and across the world.

Jamshaid Taher, by email

# A sustainable approach to supporting CMSMEs

TASNEEM RAIHAN

COTTAGE, micro, small, and medium sized enterprises (CMSMEs) play a vital role in the economy of Bangladesh. Therefore, it is no surprise that they continue to receive special attention from the government. To support the policy objectives of the government, Bangladesh Bank (BB) has taken various measures to facilitate the growth of CMSMEs, the latest of which is the Credit Guarantee Scheme (CGS). In my previous article titled, “New credit guarantee scheme approved by Bangladesh Bank—Necessary, but not sufficient” which was published by *The Daily Star* on August 23, 2020, I discussed at length several CGS design issues that require further improvement. In addition, I briefly touched upon the necessity of a vigorous effort to encourage business formalisation as well as the establishment of a Collateral Registry. Now I will seek to weave an organic web of policy recommendations that can help create an enabling environment for CMSMEs to thrive in Bangladesh both amid and after the pandemic.

While CMSMEs have always grappled with limited access to finance, Covid-19 has exacerbated their situation with financial institutions having become more risk-averse. As already mentioned, Bangladesh Bank (BB) has implemented several policies to provide financial support to the CMSME sector that has been hit hard by Covid-19. However, there is a need for a sustainable approach to supporting the CMSMEs such that the wheels of the market are sufficiently greased leading to them requiring minimal intervention from the government in the long run. After all, the plights of the CMSMEs are not new and without a sustainable approach, it will not be long before the effects of short-term government interventions dissipate. Therefore, it is imperative that a holistic approach is adopted that combines both short-term direct interventions from the government as well as sufficient motivation for the private sector to extend support to the CMSMEs as part of a sustainable business model.

While it is true that CMSMEs are inherently risky even when they are formalised because of the scope and nature of their businesses, financial institutions are also not trying enough to cater to their needs. Most of the commercial banks have not shown a sincere interest in adjusting or updating their lending methodologies when it comes to lending to CMSMEs. It is high time that the financial institutions,

in particular, commercial banks, had developed bespoke loan products that were suitable for SMEs. For example, after months of shutdown caused by the coronavirus, now that businesses are reopening, many CMSMEs, in particular, the ones in retail businesses are in need of money to replenish their inventories. This is an opportune time for financial institutions (FIs) to develop loan products such as inventory finance for CMSMEs.

Also, CMSMEs in other sectors, such as those in manufacturing, which provide supplies to larger enterprises, can benefit from invoice discounting or factoring. These types of loan products do not necessarily require additional collaterals since inventories and invoices (i.e. accounts receivables) themselves act as collaterals. Classic examples of

the FIs to ensure their rights as they lend to CMSMEs. In addition, as mentioned previously, the government may consider establishing a Collateral Registry where FIs can register their security interests in CMSMEs' inventories or invoices which will deter the borrowing enterprises from using them as collaterals while seeking additional loans from other FIs.

While devising policies, it needs to be understood that “one-size-fits-all” approach will yield only limited benefits. Instead targeted policies should be designed and implemented. This is because the needs and challenges of cottage and micro enterprises are different than those of small enterprises. Medium sized enterprises are even more different. While commercial banks are relatively better positioned to cater to the



PHOTO: BENI BOONON

floating charges that relate to inventory and invoice discounting minimise the lending risk that the FIs have to bear. Nevertheless, the commercial banks in Bangladesh are yet to exhibit adequate interest in providing CMSMEs with these kinds of products which have already found traction in many countries seeking to support the SMEs. To this end, the Bangladesh government may consider providing technical assistance to the financial institutions to help them develop and roll out these loan products for CMSMEs, at least as a dry run.

Section 159 of the Company Act 1994 already provides for the registration of the floating charges as far as private limited companies in Bangladesh are concerned. If required, the laws governing floating charges (as in the case of inventory financing) should be revised, or further clarified and communicated clearly to

needs of the medium sized enterprises, microfinance institutions, due to their business model based on KYC (know-your-customer) are more effective in terms of lending to the cottage and micro enterprises. These nuances should be kept in mind when policy measures such as CGS are designed.

In Bangladesh, there is a sizable proportion of individual livestock farmers who raise cattle for dairy production or resale of animals for Eid-ul-Azha. These farmers, particularly the latter ones, reportedly, made losses due to lost sale opportunities during the last Eid mainly caused by information asymmetry. In order to ensure that these losses do not have a long-term adverse impact on the livestock farmers, micro finance institutions have to play a very critical role.

One of the major issues that FIs cite

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for a lack of interest in lending to cattle raising farmers is that it is virtually impossible (or very costly) for the FIs to monitor the cattle bought with financing. This concern is not unfounded since there have been many instances where farmers sold off their cattle to smooth their consumptions (or for other reasons) without repaying the debt in full. In order to address this particular issue, the government may consider following the example of Zimbabwe where the Ministry of Agriculture, Mechanisation and Irrigation Development has decided to launch a national cattle identification programme. The programme will entail having all cattle in Zimbabwe tagged with an electronic RFID enabling reliable traceability. This will also enable the FIs to grant loans to smallholder farmers using cattle as security and register a lien of the animals.

Finally, small and medium sized enterprises in Bangladesh can benefit from a Junior Stock Exchange Market as has been implemented by China and more recently, Jamaica. The idea behind the Junior Stock Exchange is to allow small and medium sized enterprises with high growth potential to register themselves on a separate stock market to raise capital through equity. Typically, this kind of market has less stringent rules for listing and provides some form of tax benefits to the listed companies. While the benefits of this kind of junior market vary with jurisdictions, it certainly has the potential to provide the much-needed support to emerging companies in Bangladesh in the medium and long run, if not in the short run.

Dr Tasneem Raihan is a Financial Economist at the Public Company Accounting Oversight Board (PCAOB). The views expressed here are only those of the author.

## PROJECT ■ SYNDICATE

# Can vaccines be allocated on antiracist terms?



A KAYUM AHMED

A safe and effective vaccine could play a significant role in mitigating the Covid-19 pandemic. Yet, even if such a vaccine is found, it is highly unlikely that a sufficient number of doses could be produced in the next 2-3 years to ensure equitable access for everyone. So, when a Covid-19 vaccine becomes available, who should get it first?

Most guidelines for allocating limited supplies of vaccines would put health-care workers at the front of the line. But there is little consensus about how a Covid-19 vaccine should be allocated beyond this group.

Guidelines for allocating vaccines during an influenza pandemic, released in 2018 by the US Centers for Disease Control and Prevention, would place certain national-security personnel at the top of the list, alongside health-care workers. This reflects the CDC's pre-Covid-19 tendency to emphasise the securitisation of health: an influenza vaccine, the guidelines state, should be allocated in a way that will “maintain national security, health care, and other essential community services.”

The World Health Organization takes a different approach in its latest guidelines, released last month and focused specifically on Covid-19. It lists adults over the age of 65 as the highest-priority group, after health-care workers. The WHO's overarching goal is to reduce mortality and prevent health systems from becoming overwhelmed.

Yet, for bioethics experts, the guiding principle when allocating limited resources during the Covid-19 crisis should be to “maximise benefits.” They suggest that after health-care workers are vaccinated, a lottery system would be the most equal way to allocate a limited supply of the vaccine.

Each of these vaccine-allocation guidelines weighs factors like occupation, age, and medical risk differently. But all of them have one thing in common: they are silent on race.

There is no question that Covid-19 has disproportionately affected communities of colour. In the United States, the CDC reports that Native Americans and

African-Americans are five times more likely to contract Covid-19 than white people. Black and Latino people have died at nearly twice the rate of whites.

In the United Kingdom, Public Health England found that people of Bangladeshi ethnicity are twice as likely as white people to die from Covid-19, while the National Health Service revealed that black women are 4.3 times more likely to die from Covid-19 than white women.

A range of factors contribute to these inequities. Black, indigenous, and people of colour (BIPOC) communities occupy a disproportionate share of frontline jobs that cannot be done from home. They are more likely to rely on public transportation, live in crowded housing,

actively antiracist framework.

How to design such a framework must be considered in the context of “vaccine sovereignty”—an idea that describes how governments use public funding, supported by the pharmaceutical industry and research universities, to obtain priority access to potential vaccines. This concept—embraced by the US and Europe—turns vaccines into instruments of power designed to decide whose lives matter the most.

The ironically titled Inclusive Vaccine Alliance shows how vaccine sovereignty reproduces global inequity. The Alliance—comprising France, Germany, Italy, and the Netherlands—has negotiated priority access to various potential Covid-19

Court Justice Harry Blackmun, who wrote in 1978, “In order to get beyond racism, we must first take account of race. There is no other way. And in order to treat some persons equally, we must treat them differently.” During the Covid-19 crisis, that means giving BIPOC communities priority access, alongside health-care workers, to a vaccine.

In doing so, we must acknowledge the long history of medical experimentation on BIPOC communities. Just a few months ago, French doctors suggested that Covid-19 vaccines first be tested on Africans. Against this background, any effort to vaccinate BIPOC communities first will be met with scepticism and fear. An antiracist vaccine-distribution



PHOTO: MLADEN ANTONOV/AFP

and often suffer from underlying health problems. Furthermore, BIPOC communities have reduced access to health services, and a documented history of receiving inferior care. The oppressive nature of white supremacy is therefore profoundly apparent.

The CDC has discussed whether race and ethnicity should play a role in Covid-19 vaccine-allocation decisions. But the topic has proven contentious, and there is no indication of how race will shape their guidelines, or whether it will be included at all. Given the scale of the disparities in Covid-19 outcomes, however, a race-neutral approach is not appropriate. What is needed instead is an

vaccines, and is “also working to make a portion of vaccines available to low-income countries, including in Africa.”

This display of European “benevolence” toward poor African countries entrenches colonial dynamics. More broadly, it highlights the inadequacy of a race-neutral approach. Historical injustices perpetrated against BIPOC communities must therefore be factored into the design of vaccine-allocation frameworks as part of a more comprehensive process to address the systemic failures embedded in health systems.

In his book *How To Be an Antiracist*, the historian Ibram X Kendi quotes Supreme

framework must address this reality.

Giving BIPOC communities priority access to a Covid-19 vaccine must not be confused with reparations for slavery and colonialism. It will take much more than a vaccine to address the systemic injustices of white supremacy. But an antiracist allocation framework could be a step toward rethinking the race-neutral ideology that shapes the global health architecture.

A Kayum Ahmed is the division director for Access and Accountability at the Open Society Public Health Program in New York.

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