

Prices of daily essentials going up

How will the low-income people survive?

AS the prices of essentials continue to go up in the city's kitchen markets, lower- and middle-income people, already grappling with the fallout of the pandemic, are finding it hard to make both ends meet. Our correspondents visited four kitchen markets and one wholesale market of the city and found that the prices of kitchen essentials like rice, onion, oil, chicken, potato and fish rose by Tk 5 to Tk 90 per kg while the prices of vegetables rose by Tk 10 to Tk 15 per kg. While each kg of aubergine was being sold at Tk 80, a Tk 20 jump in a week, green chillies were being sold at Tk 200 per kg and local onions sold for Tk 60 to Tk 70 per kg, a hike of Tk 10 from a week ago and Tk 30 from a month ago.

The reason for vegetable and onion price going up is understandable as acres of vegetable farms were submerged in the recent floods damaging the production and traders also blamed the insufficient import of onions for the increased price of this essential item. But what could be the reason for the rice price hike?

Those who earn their living by doing small businesses like running fruit stores or grocery shops or selling vegetables on footpaths are finding it hard to live in the city with their families since their earnings fell drastically over the past few months. Being unable to meet their daily expenses, many have already sent their families to their village homes.

Under the circumstances, the government should act immediately to check the prices of essentials in the city's kitchen and wholesale markets. Continuous market monitoring is needed to stop dishonest businessmen from hoarding the daily necessities. Also, the government will have to consider reducing taxes and port charges to stop the price hikes of essential imports. It is good to know that the Trading Corporation of Bangladesh (TCB) has started selling onion, lentil, sugar and soybean oil at reasonable prices from today. We hope they will continue these programmes until the prices of essentials are brought in to the reach of common people.

Regional cooperation more important than ever

ASEAN countries must work together to solve Rohingya crisis

AT the 27th ASEAN Regional Forum (ARF), which was recently held online, foreign minister AK Abdul Momen expressed his worries over the resolution of the Rohingya refugee crisis, saying the delay in a diplomatic situation can frustrate the hope for regional peace and stability. He also mentioned that Bangladesh signed three instruments with Myanmar for Rohingya repatriation, where Myanmar agreed to take the refugees back and create a conducive environment for their voluntary repatriation, safety and security. Yet this "conducive environment" is a far cry from reality.

The minister is right to be concerned, especially as violence continues to escalate in the state of Rakhine in Myanmar. While the majority of the 1.1 million refugees trapped in Bangladesh have expressed their desire to return to their homeland, we must also remember that repatriation will not be possible while the threat of genocide continues to hang over the heads of this persecuted minority. In such a situation, it is not just the responsibility of Bangladesh but of all countries in the region, as well as the nations that consider themselves global leaders, to protect the Rohingya and other minority communities who are facing great risks in Myanmar.

This is where the ASEAN countries can play an important role. Dhaka has already suggested that major regional powers like China, Russia and India, as well as organisations like ASEAN, can play a role by sending non-military civilian observers to Myanmar to assess the situation. However, simply observing is not enough. The entire international community has so far played a shameful role in failing to condemn the continuous human rights abuses in Myanmar. The onus is not just on Bangladesh—every single country in the region and across the world, especially those who claim to uphold the universal tenets of basic human rights and justice, must pressurise Myanmar to set their human rights record straight and put a stop to the continuous conflict within this nation.

The pandemic has shown us how now more than ever, we need to work together to collectively come up with solutions to our problems. Myanmar cannot continue to do as it pleases without a second thought on the impacts on its neighbours. The ASEAN countries must stay united and work with the international community to address the long-term causes of the civil conflict in Rakhine and create conditions for the safe, voluntary, sustainable, and dignified return of refugees.

LETTERS TO THE EDITOR

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Drug trade still strong

Drug addiction, and especially to yaba, has become a very common thing in our society. Teknaf was once the haven for yaba trade, but after law enforcers cracked down heavily in that region, drug traders established new routes for smuggling the mad drug into Bangladesh from Myanmar.

This harmful habit is taking away numerous lives every year. If we, as a society do not become conscious of the serious negative effects of addiction and act accordingly, it will be devastating for our children as well as the development of our nation. We must raise our voices now before it is too late.

Shakhi Ahmed, by email



The brunt of the pandemic on MSMEs in the Asia Pacific Region

MACRO MIRROR



FAHMIDA KHATUN

WHILE economies around the world are reeling from distress due to the debilitating impact of the coronavirus pandemic, some sectors are facing the brunt of Covid-19 the most. The micro, small and medium enterprises (MSMEs) is one such sector which has been affected severely. This is evident in the economies of the Asia Pacific region as in other regions. The region had started to face the impact of the corona pandemic before many other economies in the world since it originated from here. Due to the pandemic production has suffered, the supply chain has been disrupted within and outside the countries, and business operations have been hampered since the beginning of 2020. Thus, the sector which contributes significantly to the economic growth, employment, and trade in these economies have experienced significant losses. This is worrisome since about 96 percent of enterprises in the region fall into this category.

Many MSMEs have also been totally wiped out during the pandemic. Due to limited economic activities and lockdown in most countries in the region, the MSMEs have fallen into such crisis that they are finding it difficult to survive. A survey on 30,000 businesses across 50 countries by Facebook, the Organisation for Economic Cooperation and Development (OECD) and the World Bank shows that 18 percent of small and medium enterprises (SMEs) in the Asia Pacific region had to close their operations between January and May 2020. Compared to global average this was better. Globally, 26 percent of SMEs had to close their businesses during the period. Several enterprises had to cut down on their employment. Businesses from the South Asian region had to experience a larger hit by the pandemic with a 46 percent closure of the SME operations. Women-led SME businesses have been affected disproportionately. This is because their operations are smaller, their profits are low and they have very little savings. In the East Asia and the Pacific region 22 percent of the businesses owned by women had to be closed down as opposed to 16 percent for male run businesses.

Governments across the region have

adopted various fiscal and monetary measures for the MSMEs to revive their businesses. These include stimulus and relief packages to the affected businesses. Such stimulus packages offer credit facilities at a reduced rate of interest. This has been a welcome initiative. However, the MSMEs need special attention as they have limited resources and flexibility to survive during crisis. They lack savings which can help them stay afloat. In this regard, a number of issues need to be considered by policymakers.

First, most MSMEs in the region currently operate informally. Therefore, they are not included in the national dataset of companies. Given that a large number of people earn their livelihoods

through fiscal measures such as lower taxes and wage subsidies. Many countries in the region are already supporting the MSMEs with some of these measures. For example, in Bangladesh, the government has announced a stimulus package of Tk 20,000 crore for the cottage, micro, small and medium enterprises (CMSMEs) at a subsidised interest rate. Under this package, the CMSMEs will pay four percent interest rate out of nine percent while the government will pay the rest five percent interest against the credit support under this stimulus package. Countries such as China and South Korea have deferred tax payments and reduced value added tax for small businesses. Cambodia and Indonesia have cut the rate for the

hesitant to provide loans to the MSMEs as banks are apprehensive about the repayment of the loans given to these MSMEs. Moreover, banks also do not find it cost effective to give loans to these businesses as their operational costs will be high for the MSMEs.

Thus, despite stimulus packages being announced by the governments, the MSMEs are yet to benefit from those fully. Many governments have provided credit guarantee schemes to the banks. The Indian government has introduced the Emergency Credit Line Guarantee Scheme. In Bangladesh, the central bank has announced a credit guarantee scheme equivalent to Tk 2,000 crore for the CMSMEs. This will cover a part of the



A small business woman making handmade Pappor (deep-fried bread) at Dinajpur Palace.

PHOTO: WORLD BANK

from this sector, all MSMEs should be listed and recognised so that they can benefit from all types of support measures offered by respective governments.

Second, during corona catastrophe, businesses have become more dependent on technology. E-commerce has increased. However, most MSMEs are yet to adopt technology due to both lack of resource and skills. This risks creating further gaps between large and small enterprises. Due to this, further inequality is also feared in society. In order to help them sustain during the digital era and to reduce the glaring disparities between the MSMEs and the large businesses, governments should provide continuous support to the MSMEs during the crisis and post-Covid period.

Third, the MSMEs should be supported

priority sectors. India has announced liquidity support for the SMEs and bail out to more than 200,000 ailing SMEs.

These initiatives are indicative of the respective government's commitments towards the sector. However, given the susceptibility of the sector and its contribution to the economy the MSMEs need further attention. In many countries in the Asia Pacific region there are real problems in implementing the stimulus packages announced by the governments. For example, the MSMEs do not usually go to the commercial banks for credit even though there are dedicated policies and packages in place. Therefore, many of them do not have transaction or loan records with the commercial banks.

Now, when stimulus packages have been announced, the commercial banks are

risks by the lending banks. Hopefully, commercial banks will now be willing to extend loan facility to the MSMEs.

The underlying reason behind increased support for the MSMEs is that the sector is the engine of growth in the Asia Pacific region. As a source of economic output, employment and income, the sector has a critical role to make growth inclusive. Indeed, the achievement of the Sustainable Development Goals also depends on the success of this sector. Therefore, all recovery measures from the fallout of the corona pandemic will have to take special consideration of the MSME sector.

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Politics by blackmail: Eulalie syndrome in Indian public life



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IF the Gandhi trio stirred themselves into action as a serious opposition, is there a possibility that they would end up in jail? If they were spared despite this affront, it would imply that the

Modi outfit has come to the conclusion that the Gandhis are now totally harmless.

Requirements of the media in this regard are helpful to the Narendra Modi establishment in a peculiar way. It keeps the Gandhis in frequent focus with the express purpose of sustaining the delusion that they are still the rallying point for a national opposition. This salience given to the Gandhis keeps them in the public eye and thereby a massive roadblock in the way of any opposition unity, particularly since the Gandhis and their limping cohorts constantly "emote" an urge to "revive". They know that such a revival is impossible but the belief serves a purpose indicated above: it obstructs opposition unity. The media is content with the simplicity of the

tweedledum versus tweedledee narrative. After all, coalitions and regional diversities are complexities impossible to contain in soundbytes.

In recent times, a story that has wafted out of the Gandhi enclosure is one of differences between them. Sonia Gandhi, with reliable retainers like Ahmad Patel is averse to rocking any boat. Status quo, uncomfortable though it be, is about the best she sees for the brood in the given circumstances. Her listless politics is also

RSS in the Bihar movement of 1974 under the leadership of arch Gandhian, Jayaprakash Narayan.

The 1969 split had a Left-Right dimension to it because it was in the context of the Cold War. In the post-Cold War world "Inequality" has emerged as the principal affliction of democracies where people's demands are dismissed as "populism". Crony capitalism thrives but no political party is allowed to find its feet if it intends to harness the discontent

electric. Spode becomes white as a sheet and collapses in the chair like a deflated balloon. It turns out that before Spode began to float in London's high society, he owned a store called Eulalie which sold lingerie known for its bras with bold designs. Eulalie, then is harmless blackmail. But the blackmail which has become the staple in contemporary politics is brutal.

A whisper on the National Herald case or Robert Vadra's land deals and Sonia Gandhi will begin to resemble Spode after the latter heard the threat made to him, "I know all about Eulalie."

After the BJP's stunning victory in UP in 2017, the opposition, armed with data on electoral fraud, sought Sonia Gandhi's permission to hold a press conference. She refused to get involved in "controversies". Likewise, she backed away from "snoopgate" which had both Modi and Amit Shah in difficulties.

Take a look at Lucknow. Jockeying has begun for the 10 Rajya Sabha seats from UP. Conventional wisdom concedes eight to the BJP and one to the SP. One would have expected the opposition to jointly keep the BJP out on the solitary remaining seat. But individual party leaders are in an almighty state of funk just in case the Enforcement Directorate comes knocking at their door.

Even though the opposition has a comfortable majority in the Upper House, the BJP rammed through nearly a hundred bills without any vote. A petrified Akhilesh Yadav is hiding behind columns to avoid political leaders who are pressing him to approach the Supreme Court. What if Yogi Adityanath sets the dogs on him?

In uniformed cities like New Delhi these examples of the ruling party's impunity, away from the media's critical glare, enhance an impression of the BJP's invincibility. Forgotten are dismal economic figures and the simple catalogue that the party is not in power in Kerala, Tamil Nadu, Andhra Pradesh, Telangana, Maharashtra, Rajasthan, Odisha, West Bengal, Punjab, Chhattisgarh, Jharkhand and Delhi. Just as your eye settles on these facts, India Today thrusts before you its poll results: Modi's approval ratings are 78 percent. Like the Priest in Kurosawa's Rashomon, you walk away nodding your head, "What is the truth?"

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Priyanka Gandhi and Rahul Gandhi.

PHOTO: AFP

a function of her indifferent health. Priyanka Gandhi Vadra's status quoism derives from her personal anxieties, family problems and an inability to cope with responsibilities. Ask Kishori Lal Sharma, appointed years ago to nurse the "family boroughs" of Rae Bareilly and Amethi and he will guardedly spill the beans. The poor fellow's Stan Hardy (as in Laurel and Hardy) moustache greyed waiting for Priyanka to address the "Congress volunteers". But Priyanka, like Godot, never showed up.

Rahul Gandhi, meanwhile, is being more assertive about beliefs he has long held and which approximate to the line Rajiv Gandhi enunciated at the 1985 Congress Centenary in Mumbai chastising the "power brokers". Is Rahul Gandhi looking for that kind of a platform?

In 1969, when his grandmother, Indira Gandhi, split the Congress away from the "power brokers", the regional satraps, the capitalists, eventually joined up with the Socialists and the

of the people who have borne the brunt of, say, the extended lockdown in India. There is a huge Left-of-Centre space for the opposition to occupy. It does not have to be terribly ideological. All it has to do is to make available to the people social benefits such as health, education, housing etcetera. Surely Rahul is aware of this opening, even though Sonia Gandhi is averse to any politics that would incur the wrath of the state.

Politics these days is at a standstill because of the lockdown, of course, but also because of what I call the "Eulalie" syndrome. This light hearted diversion comes from Wodehouse. The resourceful Jeeves has come to the assistance of his master, Bertie Wooster, at a particularly challenging moment. Spode, the Earl of Sidwick, has become a permanent social menace in a country house which is Bertie's favourite haunt. How to cut down Spode's bombast? That is Bertie's challenge. Jeeves provides the panacea. Bertie's has to sneak up to Spode and whisper, "I know all about Eulalie." Bertie follows Jeeves' advice. The result is