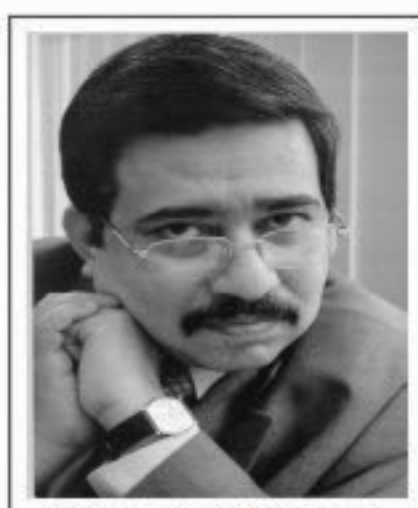


THIRD EYE

State of the economy



PRIME Minister Sheikh Hasina has taken cognisance of the reported liquidity crisis as well as inward remittance

situation of the country. We are very happy about this. For a savings and labour surplus country investment, availability of finance is a major issue, and so are overseas employment and inward remittance. In the recent past, in view of the decreasing foreign direct investment and overseas development aid, increasing non-resident remittance has been providing safety net to our balance of payment.

There has been a surge in our export receipts as well as import payments, both increasing at 40 plus percent during the 8 months of this fiscal. While we welcome both increases, the nominal 4% growth in inward remittance during last 9 months is creating pressure on foreign currency liquidity and local currency liquidity too. The situation has become tough apparently due to the central bank following monetary tightening in view of increasing prices.

Overall credit has grown by 20 percent with private sector credit growing at almost 29%. Credit interest rate ceiling has been rightly withdrawn to discourage credit growth in unproductive sectors, repurchase (REPO) is being

discouraged for the banks, and maximum asset/deposit ratio is being restricted to 85%.

The current exchange rate of the dollar ranges between Tk.72 and Tk.73, which was around Tk.69 a couple of months back. The taka lost 1.93% of its value in December 2010 from that in July 2010, and lost a further 2.50% in January from that in December. The total foreign aid, including loans and grants, in the first eight months of the current fiscal year (FY) amounted to \$400.60 million compared \$1.430 billion in the same period in FY 2010.

The export earnings of the country in the same period stood at \$14 billion, posting a 40% rise from the corresponding period of FY2009-10, and the import costs in the period amounted to \$22 billion, marking a 41% rise from the July-February period of the last fiscal year. The amount of inward remittance during last 9 months was \$8.6 billion. Service payments (overseas education, travel, medical and relevant expenses) are also increasing at a high rate. At the same time, the country's foreign currency reserve depleted from \$11.16 billion in February to \$10.3 billion in March end. Net foreign exchange reserve stands at around \$7 billion.

As mentioned above, banks are facing a severe dollar crisis along with a liquidity crisis, compelling them to express inability to open letters of credit for imports. What is worse is that it has become really



IQBAL AHMED/ DRINK NEWS

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difficult to get dollars even at that high price, though the central bank has been supporting essential imports in the public sector.

The ongoing unrest in the Middle East might worsen the problem. Many felt that making investment in productive sectors for employment generation, discouraging imports of consumer and luxury goods and investment in unproduc-

tive sectors would alleviate the problem. Some also suggested growth curtailing.

Obviously it is easier said than done. Bangladesh is an emerging economy. The policy makers have decided to adjust with inflation rather than growth. The nature and composition of our import bills have warranted this. Most of our import bills are for capital machin-

ery imports for RMG, textiles, pharmaceuticals and food processing industries, or for industrial raw materials or power plant equipments. Dollar price is rising, however growth dynamics in the economy, along with fabulous increase in exports and good harvest seem to have provided a safety net.

Serious interest in other countries for "made in Bangladesh" goods as well as significant rise of demand for consumer items in the domestic market are encouraging our business community to go for massive investment in the production lines. They don't mind paying 2-3% extra for a dollar, while the return on investment in very attractive in Bangladesh. I think there is sufficient space to absorb higher exchange rate as well as higher interest rate cost.

This is a basic symptom of an economy which is going to see some accelerated growth rate in the coming years. While I worry about the slowing down of remittances, I think the situation will get better. May be 20% growth is unrealistic, but it should settle around 5% to 10%. With oil price remaining high, job opportunities in Middle East are expected to improve with undertaking of more construction projects. There may be a bit of time lag though. Saudi Arabia will resume labour import from Bangladesh soon.

However, we need to look at the economic management side with seriousness. The regulators need to

work on the supply economics with an integrated approach. They need to maintain a healthy balance, and to ensure that the remitters and development partners are given enough incentives through their commitment to continuous reforms.

Delay in committing budgetary support, disbursement of balance of payment support or release of millennium challenge funds do not make us happy at all, especially when we need more money to finance our growth. The government may alternately explore commercial borrowing from external sources, in view of the better sovereign rating.

Our people are ready to settle for a slight price spiral, provided investment in growth-driving sectors continues with employment generation. However, we do not appreciate any supply side constraint or management debacles. While our exporters are facing rise in import finance rate, they should be happy with increased exchange rate. However, regulators need to draw a balance between dollar price rise and price spiral, since most of our inflation is "imported inflation" and our popularly elected government is committed to save common people from the onslaught of excessive price hike. Along with this, one would emphasise on better asset and liability management in all commercial banks as well as at the central bank with full ownership.

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Parents' responsibility in education

MD. AMINUL ISLAM SWAPON

At home is where a child lives permanently with his parent. It has a great role to play in shaping the responsibility and career of a child. In fact, it is the breeding ground of all qualities and habits a child learns and imbibes. All children are not of same aptitude and disposition, therefore, parents should be sensitive to their likes and dislikes. One would be foolish to think that our education system meets the requirements of every child that

and knowing what they are doing in class. It means getting them involved in school sports teams, music, drama, clubs etc. Finally, it means knowing how children interact with others, and if they need direction their parents are there for them.

Some of the most important lessons of life are taught in the home. Parents should not expect them to be taught in schools. By taking a few simple steps at home, parents can help their children enjoy school more and improve their studying and

Learning math and reading isn't the only struggle your child faces in school. Maybe he is having problems with a teacher, a group of friends, or a bully in the playground. Sometimes what he really needs is someone who is willing to hear what he is thinking - and that someone should be you.

With nobody to confide in, a child will have extra stress, which can decrease self-esteem and motivation. You could recall the struggles of your own school days and pass along a more positive experience. Listening to a child's concerns can be a major confidence booster.

You can't just leave it all up to the teacher. You should stay in touch with the child's assignments, tests and ongoing projects and offer help. You should be available and enthusiastic because children need to feel that parents want to be there and that helping them isn't a chore. Connect with their teachers regularly to keep up with how things are going in the classroom. If you find your child needs extra help, be active in getting it, or better yet, work with him yourself. Tutoring your own children can be rewarding for both of you.

Yes, sometimes you've got to be tough. But there's more to it than just discipline. Enforce in advance by helping your child set and keep schedules, reach goals and complete assignments on time. Be patient but unwavering with the basics and your student will catch on. Sometimes you'll have to be strict, but a little firmness each day will teach your child vital time management skills. This will give him a sense of control and can help prevent a homework or term paper crisis. Be willing to be the bad guy, but don't make school or homework seem like a punishment. When things get difficult, he'll respect your authority and see you as a resource for the help he needs.

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SHAFIQ ISLAM/ DRINK NEWS

By taking a few simple steps at home, parents can help their children enjoy school more and improve their educational skills.

enters at the tender age of five or six and leaves after thirteen years. However, some parents think that schools are totally responsible for the education of their children.

Why should parents be involved in their child's education? What can they do to help their children be successful in school?

To answer the first question, look at the numbers. Filling twenty-five to thirty young minds with knowledge can be very difficult for one teacher. The ratio of teachers to students is just too high, and some students will fall between the cracks in the system. Parents are the safety net for their children, yet too many of them fail to realise this important fact. The greatest resource any classroom teacher can utilise is the parents.

The answer to the second question is that parents must take interest in all aspects of their child's school activities: academics, extra-curricular activities and relationships. This means helping them with their homework

homework skills. Nothing helps a child succeed like an involved parent. Parents play four distinct roles in their child's education: cheerleader, friend, teacher and enforcer. An understanding of these roles can help a child step up to the challenges of learning.

Children thrive on encouragement. It's just as important to support a child who doesn't perform well as it is to congratulate him for success. Real learning is not based on reward, but on the value a child places on the process itself. It's important to make something positive out of failure and to teach young learners this vital skill. Ask your child what he does when he fails at something he is good at -- a missed tackle on the football field for example, or a missed key on the piano. This will help him to see how important it is to keep trying, and will teach him to access the skills he already has when faced with new or less interesting challenges.

Joneka's change of fortunes

JULIAN FRANCIS

ON February 26, after a gap of nearly 2 years, I visited the village of Dakhin Tegori in Chowhali Upazila of Sirajganj District. I particularly wanted to see how Joneka was getting on, now that the activities of Chars Livelihoods Programme (CLP) have come to an end. Joneka was the subject of a detailed feature in The Guardian's "g2" of September 4, 2008. It was written by the writer and author, Tahmima Anam, and published just before an important DFID Climate Change conference in London.

Joneka's husband had died as a result of an unfortunate electrocution accident during the floods of 2004, and thereafter she and her two small sons lived with her parents. In 2007, Joneka was selected to participate in CLP, and from then on her life changed. She was a hard worker and was also chosen by her peers to be the group leader of the Dakhin Tegori social development group, which met every week over a period of 18 months.

With CLP's assistance, Joneka had bought a bullock in December 2007 for Tk.14,700. A year later she sold it for Tk.28,360. Then she asked her brother to buy her one heifer and one bullock, but he bought two bullocks instead which, at the time, greatly angered Joneka. These bullocks cost Joneka Tk.24,200. Since then, she has sold these bullocks and now has a cow and a bullock, and has also leased 10 decimals (one-tenth of an acre) of land for Tk.10,000. From this land she is able to obtain about 200 kgs of paddy per year.

Since my last visit to Dakhin Tegori, Joneka's father has passed away and, concerned about the future of Joneka and her two sons, her close family suggested that she should seriously consider marrying once more. During this time, Joneka's brother married a woman whose parents live on the mainland, and through this connection her marriage was arranged about one year ago with Bacchhu Miah of village Nukali, Shahjadpur.

Bacchhu Miah's first wife had passed away earlier due to cancer, leaving him with 5 children to care for. Joneka and her sister Hosne Ara told me that Joneka's new husband was a very good man, and had asked Joneka to bring her two sons to live together with the family. Joneka, however,

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brothers who own 30 bighas (approx 10 acres) of prime agricultural land, and so his share, 10 bighas, is worth about Taka 16,500,000

(£ 143,500). When I heard this, I told Joneka that she was a very lucky woman. A neighbour of hers, who was listening to our conversation, reacted by saying: "No, Joneka has worked so hard in her life and Allah has blessed her in this way."

Joneka now visits Dakhin Tegori about once a month to see her younger son, her mother and her siblings. Her animals are now cared for by her sister and brother.

Two years ago, through a Manab Mukti Sangstaha/CLP Satellite Clinic, Joneka had been referred for specialist investigation and treatment due to suspected breast cancer, but the small tumour that was removed was benign. She still has discomfort from time to time but she is under treatment in the big hospital at Enayattpur, which is famous as a cancer hospital in Bangladesh. All appears to be under control.

On the motorbike journey from the river ghat to Dakhin Tegori vil-



felt that if she took her sons to the mainland she would not be able to give them enough attention, so, while the elder son, now 10 years old, attends a madrasa on the mainland, the younger son, aged 7, lives with Joneka's mother and attends the nearby Dakhin Tegori primary school.

Bacchhu Miah is one of three

lages, I could see that many new families had arrived because of river erosion elsewhere. There were at least 50 new households near Dakhin Tegori. The mighty river continues to play with people's lives!

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