

## Forcefully confined in Iraq Bangladeshi mission must act

IT is highly disturbing that 16 Bangladeshi expatriate workers sent to Iraq after being properly recruited should be abducted by their employers and forced to live in squalid conditions in a building for the last seven months. The reported forceful confinement by the employer on the pretext that these workers have not been working properly and creating "trouble" is hardly any excuse for such inhumane treatment. This latest incident merely goes to reinforce the fact that recruiting agencies and the employers in the receiving country operate as they please with little or no oversight by the receiving governments and our embassies.

That aside, what bothers us is there is no clear indication as to when and how these stranded Bangladeshis are to be repatriated back to the country. Apart from the latest incident, there are reportedly another 164 Bangladeshi workers in the city of Najaf facing a similar situation. In the absence of basic amenities like food, running water and power, we shudder to think precisely how they are passing their days. It is deplorable to think that had there been no media outcry at the subhuman treatment of our workers abroad, little would be done to help their case.

The latest incident brings to light, once again, that the recruitment business in the country remains a "grey area" against which authorities remain unable or unwilling to take necessary action to ensure safe and secure work environment of our expatriate workers. That issue aside, steps need to be taken immediately to repatriate these hapless workers from Iraq as soon as possible.

## Revisiting Indo-BD issues

### Call for greater commitment from India

IT is for the first time that High Commissioners of the Bangladesh and India, who served in New Delhi and Dhaka over the last four decades, had met to deliberate on our mutual relations. The views coming from these practitioners of diplomacy, who were engaged in furthering mutual ties, were objective and which leaders of both the countries should take note of.

Although substantial achievements have been made in furthering bilateral relations in the past six years, India must shoulder more responsibility to build trust and confidence in its small but important neighbour. In particular, India should immediately address the issue of the ratification of the Land Boundary Agreement (LBA) and signing of the Teesta River Water Sharing deal.

We welcome the call from former envoys for greater economic co-operation between the two nations and enhanced effort on India's part to fulfill its pledges to Bangladesh.

The suggestion that a mechanism should be developed whereby bilateral issues can be mediated based on laws and rights merits serious consideration. In addition, the Framework Agreement on Cooperation for Development signed in 2011 should be implemented to improve existing relations.

With a new government in India, which has emphasised the importance of strengthening relations with India's neighbours and promised to protect Bangladesh's interests, we hope that the two countries can finally overcome the existing impediments to greater cooperation. Although Prime Minister Modi has stated that it is only a "matter of time" before the LBA is settled, and pledged to seriously pursue the consensus building process on the Teesta deal, we are yet to see palpable action on India's part to resolve these two thorny issues.

Only the political will of the two governments will determine if the future of the Indo-Bangla relations will be one of mutual collaboration or of unequal association.

## Rivals turn the tables on climate

EDITORIAL: THE HINDU (INDIA)

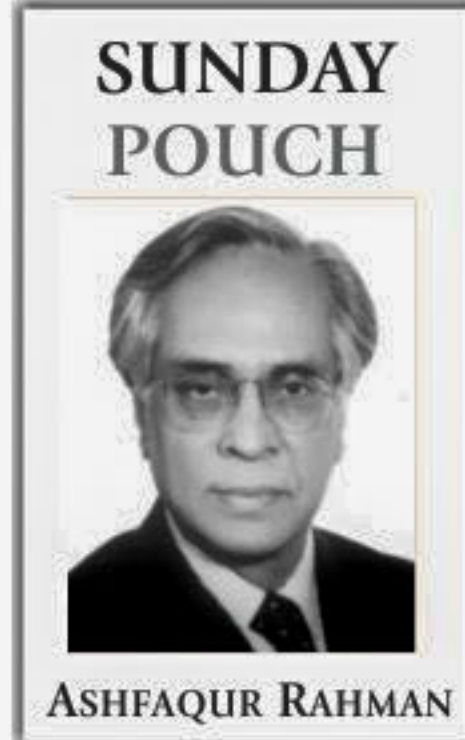
DEAL between the world's two biggest emitters of greenhouse gases (GHGs) raises the prospect of a robust international agreement in Paris next year. Although the two countries account for over one-third of global GHG emissions, the US and China have for the best part of the last 20 years been hostage to economic arguments to act decisively on global warming. Now, the US has promised to cut emissions by an extent of 26% to 28% below 2005 levels by 2025, which would mark a near-doubling of the current pace of reductions. As for China, President Xi Jinping has pledged that the country's emissions would peak by around 2030; by that time, solar and wind power would account for 20% of overall energy sources. This is based on projections of a slowdown in economic growth, a phase-out of obsolete power plants and a rise in the share of renewables.

In the absence of further details, environment experts and activists remain unsure of the full implications of the latest agreement. But the political significance of the agreement is clearly beyond doubt. The latest announcements represent a huge advance over the entrenched positions held by the two countries until recently. Washington did not ratify the lone legally-binding global pact to cut emissions -- the 1997 Kyoto Protocol -- as it opposed the view that developed and developing countries had differentiated responsibilities on countering global warming. Beijing was exempted from the requirements of the Protocol in view of its status as a developing country.

The proposals presented by the US and China follow the announcement last month of a 40% reduction in GHG emissions by 2030 for the entire European Union. Together, the package from these three main players would create the momentum for other major high carbon footprint countries to come up with matching commitments ahead of upcoming talks in Lima and a final deal in Paris. Notable among these are India, Indonesia, Australia and Brazil. In the meantime, President Barack Obama would have to sell the deal to a Republican-dominated Congress, with its share of climate-sceptics.

The leaders of the Group of 20 countries meeting in Brisbane this weekend should act on their commitment to reduce subsidies for the further exploration of oil, gas and coal. The September 2014 report of the Global Commission on the Economy and Climate also makes a strong case against the prevailing high subsidies regime. Beijing and Washington should exert their considerable clout to realise this objective at the earliest. Such an effort would be consistent with their pledge to increase reliance on renewable energy.

# Thinking of settling in the USA? Think again



ASHFAQUR RAHMAN

WITH over 8 million Bangladeshi working and living abroad, thousands have chosen one of the 220 countries and territories abroad to finally settle down. Thousands more are continuing their stay in any one of these places, keeping their options open. Thousands others are still making arrangements to travel abroad to work. There is a great dynamism in this arena. Every day we hear from people, be they relatives or friends who have got a Green Card or citizenship of any one of the countries, that they have travelled to and got permission to stay there indefinitely. But in most cases they managed to retain Bangladeshi citizenship so that they can return to their place of birth for final rest. Call it patriotism or just nostalgia, but the urge to remain there diminishes once they have spent their productive life abroad, brought up their children and seen them settle.

This shift in population is not unique to Bangladesh. Indians, Pakistanis or even people from Myanmar or Nepal or even Afghanistan are doing the same in large numbers.

The interesting part is that the preferred country to settle in is of course the US. If they are unable to attain that then they try to become citizens of Canada or Australia. Of course, there was a time when large numbers went to the UK and settled there. This was so from the late 1950's till the 1990's, when immigration control choked the flow to that country. It is now reported that the US remains the large catchment area in spite of great hurdles put up by immigration rules. The reasons why US and Canada attract our people are ease of living, the high life style and availability of health, education and infrastructure facilities. But all this is changing.

America is not the greatest country in the world to live in anymore. Notions about US greatness are not backed by evidence. When Americans are asked why America is number one, they reply: "We have freedom that is not available elsewhere." They also say: "You can start a business really easily." True, but 'because businesses often go unregulated, you can also be screwed when the government lets shady operators steal your pension in a trillion dollar Ponzi scheme.' Yet there is a case in favour of the US. The US is still the greatest nation. Its defense is strong and top notch. The US has one of the world's biggest econo-

mies, even with such a large population. The country ranks low on the corruption scale, in spite of having some corruption in the system. Some people say that no country tops the US. Countries like Denmark or Norway are the best but the US has 151 major cities where there is freedom, democracy, diversity, high quality of life and more. The US has beautiful suburbs and amazing modern cities. It is a melting pot of many different cultures. It was the first to introduce true democracy, computers, airplanes, TV, walk on the moon, best books and movies, jazz music, etc. Of course, there are countries like China where kids are smarter. There are countries with higher life expectancy. But the US has the best mix.

In that case, why is settling in the US a big worry? In more than six vital ways the US is like a third world country. First, it leads the world in firearms related murders. The US has 20 times more murders than the developed world average. Second, the US criminal justice system is flawed. Studies estimate that the US imprisons 716 people per 100,000 citizens. That is worse than Russia (484 prisoners), China (121) and Iran (284). The US, like Bangladesh, executes prisoners. Third, another study found that life expectancy, especially in the deep south of the US, is lower than in Algeria, Nicaragua and even Bangladesh. The US is also the only developed country that does not guarantee healthcare to its citizens. It has an infant mortality rate that dwarfs

comparable countries. It also has the highest teenage pregnancy rate. Fourth, the US education system has 'structural racial biases.' Schools are funded at the local rather than national level. In the US only 40% of the cost of education is publicly funded. That is why it has the highest tuition costs in any developed country. Fifthly, the US has the 'stingiest welfare state of any developed country.' This leads to an unequal society. Inequality harms democracy and tears at the social fabric. Sixthly, the US infrastructure is slowly crumbling and is in desperate need of repair. It needs more than \$3.6 trillion investment in the coming 6 years. All this indicates that the country has fallen in international ranking of infrastructure.

So it is better to be wiser now than later in choosing the USA as a destination for settling down. The discerning people must look elsewhere in the coming decade before finally making a decision.

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## Mozena vs Tofail: Who pays for US tariff on Bangladesh's garment export?

WAHIDUDDIN MAHMUD

US Ambassador Dan Mozena recently said that Bangladesh pays "zero, zero,..... zero tariffs" on apparel exports to his country, while Commerce Minister Tofail Ahmed refuted this claim by saying it was "false, false,.....false" (DS Business, November 13). The exchange would seem both amusing and baffling, particularly to those uninitiated in the complexities of trade economics. The uncontested simple math is that the tariff levied on Bangladesh's apparel export to the US market at a rate of more than 15% generates about \$800 million annually to the US exchequer. Mozena's contention is that the burden of this tariff is borne by the US consumers who buy the imported apparel, while Tofail's claim is that it is the Bangladeshi garment producers who have to ultimately pay the entire bill. Unfortunately, most economic controversies, including this one, are hardly amenable to such simple math.

Much depends on whether we are considering import duty in the US on apparel import in general or import from Bangladesh in particular. Ambassador Mozena is right that Bangladesh is not particularly discriminated against regarding tariffs, since most other major apparel exporters to the US markets also face the same high tariff rates. The average high tariff rate faced by all exports from Bangladesh to the US -- above 15% compared to, say, about 3% for China -- is because our exports to the US consist of little else other than garments. That's why Bangladesh is more adversely affected than other countries by the generally high tariffs on apparel imports in the US. These high tariffs are liable to raise the apparel price in the US domestic market -- while also lowering the trade volume and the price received by the exporting countries -- so that a part of the burden is borne by the US consumers. To that extent, again, Ambassador Mozena is correct. In fact, the consensus among economists is that the high US tariffs on apparel imports cause net welfare loss to the US economy and are retained only because of lobbying by organised labour.

But if the US authorities were to consider the question of whether or not to offer tax-free facility to Bangladeshi apparel exports in particular, its impact on the US domestic apparel price would be marginal, if at all, because exports from Bangladesh constitute only a fraction of the US domestic apparel market. In that case, the impact of US import tariff can be said to fall largely, if not entirely, on the Bangladeshi exporters, including the marketing intermediaries -- both in respect of lower export price and lower export volume.

This much is from standard economic theory. International trade in the real world, however, does not exactly follow the economic theory of competitive global markets. There are unequal bargaining powers, unfair practices, firm heterogeneity and other asymmetries. A number of in-depth studies have recently been carried out on these issues regarding garment exports from Bangladesh by the International Growth Centre at the London School of Economics with researchers from Warwick University, UK, and Pennsylvania State University, USA. By analysing detailed information on firm-level production efficiency and by tracking detailed data on transactions along the entire value-chains of the industry over a period of time, these studies have come up with many interesting insights.

The analysis of the value-chains, for example, show that out of the average retail price of a Bangladeshi shirt paid by a US consumer, less than 30% goes to the local producer of the shirt, covering the cost of materials, other production costs, wages and profits; the rest 70% is accounted for by shipment and marketing costs and profits of intermediaries and retailers abroad. The wages of the garment factory workers not only constitute the most severely squeezed bottom end of this long value chain -- accounting for hardly 3%-4% of the final retail price -- but these workers are also found to be subjected to even further stress at times of supply disruptions and external shocks.

Bangladeshi garment industry is also found to comprise of a unique variety of "born to export" firms, that is, factories that are set up only to export. As such, they have weak bargaining power particularly at times of external shocks, since there is no room for shifting to domestic market. Many factories export only intermittently, so that there is little incentive for productivity-enhancing investments and for hiring regular workforce. The factory-owners can try to overcome these weaknesses by incorporating more of the design and intermediate stages of the value chains that are now mostly in the hands of foreign parties; this will give them more room for absorbing shocks. The fact that our garment exports can remain competitive both in the tariff-free European Union market and in the high-tariff US market suggests that there are perhaps extra fats at the marketing intermediary stages of the value chain. Moreover, results from experimental research show that even some rudimentary form of worker training on factory floors can enhance productivity substantially, which in turn can help increase wages, upgrade product quality and capture a larger part of the value chains.

Another interesting research finding regarding the characteristics of "born to export" firms is that they are likely to move as a herd -- or not at all -- since they respond to the same global market signals, perceived or actual. Such an industry can thus generate dramatic export surges such as in response to changes in export barriers in large markets, but they can also be stubbornly unresponsive to modest tinkering with export stimuli. There thus seems to be potentially large benefit to be reaped by Bangladesh's garment industry from getting tax-free export facility to the US. Short of granting such a facility, an alternative is for the US to use the tariff revenues generated from Bangladeshi garment exports as aid to improve the labour standards of garment factories in Bangladesh.

Unfortunately, far from getting such a facility as a Least Developed country, Bangladesh is being deprived from even getting the GSP facility for its non-garment exports to the US. More than two-thirds of all countries, including almost all developing countries, currently benefit to a varying extent from the duty-free access to the US market under its GSP programme. For Bangladesh to be picked up almost singly as a developing country not deserving the facility sends a wrong signal to the consumers of our exports worldwide and to potential foreign investors. Both Bangladesh and the US need to do some soul-searching as to why our bilateral economic relations have come to such an impasse.

The writer is an eminent Economist and Advisor to International Growth Centre's research programme in Bangladesh.

## LETTERS TO THE EDITOR

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### Prescription for wholesale favouritism!

On November 12, 2014, while speaking at a discussion organised by BCL at DU, HT Imam, one of the advisers to Prime Minister Sheikh Hasina, said they would see how much they can help the Chhatra League with the viva voce exam of BCS. He also said their leader (Sheikh Hasina) told them to arrange jobs for BCL activists by any means.

Definitely, it is good news for the BCL men but very shocking for the other BCS aspirants. It is also a clear violation of the article 29 of the constitution of Bangladesh which states equal opportunity for all in public employment on the basis of merit. Are we living in an autocratic country? My question to the prime minister, is there a special constitution for the Chhatra League?

Md. Abdur Rashid  
 Department of Sociology  
 University of Dhaka

### Unruly bikers

Nowadays, alongside biking on the footpaths, some bikers are developing a new trend of disturbing the pedestrians by blaring horns. They blow deafening horns without any apparent reason. What is just fun for them is very irritating for pedestrians. Horns are for making people alert that a bike is behind them, not for annoying them. The unruly bikers should understand this.

Gunjan Pronoto  
 Jagannath University

### Rising GHG level poses graver climate risk

A new report by IPCC (Inter governmental Panel on Climate Change) states that unchecked climate change will escalate the likelihood of severe and irreversible impacts on people and ecosystem. It establishes the fact that there are massive shifts in land and ocean ecosystems and our efforts to reduce the climate change are not enough.

The most important lesson to learn from this report is the need to address this issue following a comprehensive approach. Climate change has adverse effects in all countries even in the developed nations. It also breaks the myth that climate action is costly. Our inaction is far more threatening. It is crucial for us to understand the current situation of climate change. The report states that carbon (Green House Gases (GHG)) emissions will ultimately have to fall to zero. Moreover, global poverty can only be alleviated by halting global warming. The report also makes clear that carbon (GHG) emissions, mainly from burning coal, oil and gas, are currently rising to record high levels, not falling. It is very alarming because the world can probably adapt to up to 2 degree Celsius temperature rise. But if temperature rises by 4 degree Celsius, then we will be in grave danger. To minimise carbon emissions, we need strong political will and must work together with other nations.

Anika Tasneem  
 East West University  
 Dhaka

### Comments on news report, "A contractor too mighty," published on November 12, 2014

#### New Generation

It may be very interesting if the identity of IRIS's Bangladeshi collaborator is revealed.

#### Snr Citizen

All foreign suppliers and contracted companies should translate their documents in Bangla in order to avoid loopholes in the agreement.

### "Handcuffed body raises questions" (Nov. 12, 2014)

#### New Generation

Hundreds of such questions remain unanswered. It is easy to ask questions but difficult to reply.

### "Drive against unfit vehicles" (Nov. 12, 2014)

#### Nds

But when will there be a drive against unfit government authorities?

### "Expansion work resumes at last" (Nov. 11, 2014)

#### AA

The government should tell the Chinese company that this project will be given to another company if they cannot show progress in every 6 months.