

MRP for expat workers in a shambles

Why is IRIS getting away with it?

ONE wonders what power is behind the Malaysian firm IRIS that has allowed it to get away with all sorts of failings in meeting its part of the contract in issuing machine readable passports to our expatriate workers. In fact they have been able to provide only ten percent of the total 1.5 million MRP issued so far.

The seriousness of the matter was such that the PM herself was compelled to constitute a high powered committee with the PM's principal secretary as its head in February to address a matter of serious concern that affects the future of three million of our overseas workers. We are surprised at the helplessness of the various committees that have been unable to take action against a contractor for failing to meet its contractual obligations. The Malaysian firm has disregarded the repeated reminders of the government to hasten its performance. But why did the government not initiate punitive action against the defaulting firm sooner instead of making so many entreaties? What is the reason behind giving a defaulting contractor repeated chances knowing fully well that either it has no intention or it has no capacity to fulfill its obligation?

Such a situation that has the potential of jeopardising the job of nearly three million of our workers abroad, because of an errant supplier defaulting with impunity, cannot be allowed to continue. Not only must the government take legal action against IRIS immediately, it must also right away seek alternative means to provide MRP to our workers abroad before the deadline of November 2015.

Remittance outflow issue

Concern expressed, needs addressing

FINANCE Minister AMA Muhith underlined an issue of considerable import at a pre-budget discussion with the Economic Reporters' Forum (ERF) on Saturday. He flagged a concern over remittance outflow to the tune of \$4 billion per year. Government was 'worried', he added, inasmuch as such a high amount of outward remittance tended to affect the country's current account balance.

We think the finance minister has voiced a timely concern because (a) the issue, so far figuring only tentatively in the public domain, merits fuller discussion and deeper analysis; and (b) it has not become unwieldy as yet, thus allowing for reining in under some regulatory but not stifling mechanism.

With the economy growing and diversifying, the demand for employment in the high skill category has increased. The gaps in our human resource development efforts and the brain drain from the country have induced foreigner employment in the skill-intensive professions. Hence, the consequent repatriation of large sums of money from their incomes and Bangladesh is one of the big sources of remittance for neighbouring India.

There are standard procedures for such employees to be registered in the host country with work permits being issued to them for a stated period which are extendable. Questions have, however, arisen whether taking advantage of the slack in monitoring many have been working without authorisation in Bangladesh. A thorough survey resulting in a reliable, updated data base is highly imperative.

The bottom line though is we have to address the core issue of human resource development in the higher skill categories.

COMMENTS

"No more pushback"
(May 21, 2015)

Abdul Hafiz Dewan

At long last humanity prevailed; Malaysia and Indonesia yielded to UN and others' pressure.

Anis Rahman

International community must resolve this crisis. These people deserve a safe land to live.

"Malaysian restaurants willing to hire boatpeople"
(May 21, 2015)

Nafiza Islam Khan

Great. But the problem is, without knowing English they will not be able to get work in restaurants. That's the fact. But they perhaps can in plantation or construction.

Sadeq Hasan Mridha

They can work in the kitchen department in normal restaurants. Just need someone who is experienced to train them. It won't take more than a month to get the hang of it.

Shah Alam

A good initiative which should be encouraged.

Saleh Chowdury

At last, something to cheer for all those miserable people who are stranded at sea without any means to survive.

"A forceful message"
(May 19, 2015)

Ferari Mon

Thanks to the government and judges. It's good to see that some people get justice in Bangladesh.

All eyes on the South

MACRO MIRROR



FAHMIDA KHATUN

LAST week at least two events, including a government one, have taken place in Dhaka where the importance of financing of development agenda and South-South cooperation (SSC) during the post-2015 period were highlighted. These initiatives by Bangladesh are timely as the subject also drew the global attention recently for some practical reasons. In the coming days of the current year three important events will shape the development outlook. At the conference on Financing for Development (FFD) in July to be held in Addis Ababa, countries will discuss ways to mobilise resources to implement the huge development agenda. The second one is the adoption of Sustainable Development Goals (SDGs) by the United Nations at the 70th anniversary of the organisation in September 2015. These SDGs are the new phase of goals and targets towards fighting poverty, establishing an equitable society and reducing the dangers of climate change. SDGs will be implemented during 2016-2030 when the period of Millennium Development Goals (MDGs) (2000-2015) comes to an end. The third global forum will be the 21st session of the Conference of Parties to the United Nations Framework Convention on Climate Change in December in Paris which will attempt to achieve a legally binding and universal agreement on climate so that global warming is kept below 2°C.

The Addis meeting, to a large extent, will define the success of the other two

global commitments since this will design a comprehensive financing framework for achieving the global economic, social and environmental goals. This is crucial also because of the fact that the global economic landscape has changed over the years. Developed countries were afflicted with a global economic meltdown in 2008 which led to lower economic growth, less employment generation and slow resource mobilisation in these countries. Seven years on, countries are still struggling to recover from the crisis that shook their economies badly. Understandably, their commitment for overseas development assistance (ODA) and other support is not going to be fulfilled in the near to medium term.

This is reflected through the ODA figures. During the MDG period developed countries could not fulfill the UN target of providing 0.7 percent of their gross national income as ODA to the poor countries. Statistics from the Organisation for Economic Cooperation and Development (OECD) show that only five countries - Denmark, Luxembourg, Norway, Sweden and the UK - could meet the UN target of ODA in 2014. OECD data also show that aid to the poorest countries continues to fall. In real terms, net ODA from OECD Development Assistance Committee declined by 0.5 percent in 2014 compared to 2013. Also, in 2014 bilateral aid to least developed countries (LDCs) fell by 16 percent in real terms than the previous year.

In this backdrop attention has been shifted towards the emerging economies in the global South which have shown promises through strong economic growth during the last two decades. Though the average per capita income of the Southern countries is lower than the world per capita income, economic

performance of the Southern countries through higher trade and investment has been spectacular. As a result, economic activities among themselves have also increased manifold. For example, South-South trade has increased much faster than North-South trade since 1996. The share of South-South trade in total developing country exports rose from less than 30 percent during the second half of the 1990s to almost 45 percent in 2012. Since 2008 developing countries themselves have emerged as the most important export destinations of the Southern economies. Export from LDCs to the South has increased from about 35 percent in 1995 to 58 percent in

this area through SSC has been low so far. Except for Chinese investment in Africa in areas such as natural resource extraction, finance, infrastructure, power generation and textiles, other regions have not received much investment. With the initiation of the Infrastructure Bank, countries like Bangladesh see opportunities for investment in its infrastructure, power and energy.

Increased SSC should not, however, be seen as an alternative to the commitment of developed countries. It is apprehended that with the emergence of a stronger global South, advanced countries may try to transfer their responsibility to the Southern countries

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2012. Brazil, Russia, India, China and South Africa (BRICS) are promising destinations of export and important sources of import for developing countries. Foreign Direct Investment (FDI) within the South is also growing rapidly. In 2012 South-South FDI accounted for 23 percent of total global FDI flow which was an increase from only 3 percent in 2000.

The launch of the Asian Infrastructure Investment Bank brings further hope in narrowing the finance gap of the Southern countries. Though most Southern countries suffer from poor infrastructural facilities, investment in

and put disproportionate pressure on them to support the poor countries. On the other hand, SSC has its limitations too. It is yet to have the institutional capacity to strengthen its effectiveness. Besides, southern economies have higher tariffs compared to developed countries that limit further potentials for higher trade amongst them. They also have high non-tariff barriers that increase the cost of trade. With maturity of SSC these issues have to be addressed for further deepening of their cooperation.

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MODI'S CHINESE CHALLENGE

Emphasis on economic relations

MAHMOOD HASAN

INDIAN Prime Minister Narendra Modi has visited China from 14-16 May 2015. Modi has been to China before as Chief Minister of Gujarat. Earlier in September 2014 the Chinese President had visited India. It was thus a return visit by Modi as Indian Prime Minister.

Departing from traditional protocol, Chinese President Xi Jinping received the Indian Prime Minister at Xi'an, capital of Shaanxi province, the ancestral home of Xi Jinping. After spending a day in Xi'an, Modi went to Beijing where he held official level talks with Chinese Prime Minister Li Keqiang. The two countries signed 24 agreements on areas ranging from high-speed railway, border issues and setting up a yoga center in Kunming.

Li Keqiang later told newsmen, "We just had in-depth talks and touched a wide range of topics, which we both expected to yield common ground and results. It is fair to say that we met the expectations."

"I discussed many issues with premier Li, which will take our relations in a positive direction. Our cooperation will not only benefit the two countries, but will send a positive signal to the world," said Modi. Later both the Prime Ministers attended the 'Forum of Leaders' of the regions of India and China at the Great Hall of the People in Beijing.

The 41-paragraph Joint Statement issued after the official talks dwells on Sino-Indian relations playing a defining role in the 21st century; strengthening political dialogue and strategic communication, closer developmental partnership, culture and people-to-people exchanges, setting up of new Consulate General in Chengdu and Chennai, enhanced military ties to build mutual trust, affirmed early settlement of the boundary question, abolish trade impediments, remove trade imbalance, and shaping regional and global agenda.

The two countries represent one-third

of world population with a total population of 2.6 billion. Both are economic power houses in Asia -- China with GDP of \$9.24 trillion (2015) is ahead of India (\$ 1.87 trillion, 2015). Both economies are expected to grow over 7% during 2015.

Politically the two countries have opposing systems—India has parliamentary democracy and China is a monolithic socialist state. Both however have capitalistic economic systems. Having very large armies, relations between

militarily evict the Chinese army from the area. China seems to be playing for time.

Relations between the two countries have been further complicated when India gave asylum to Tibetan refugees, including the Dalai Lama. China's growing relationship with traditional rival Pakistan has made India even more insecure. Economically strong China has been steadily asserting its military muscle in South China Sea and pushing its influence in neighbouring areas. India is



Prime Minister Narendra Modi with Chinese president Xi Jinping

these two nuclear states and their behaviour, have an impact in the region and around the world.

Relations between the two giants are fraught with mutual distrust. This stems primarily from the 1962 war when India lost large swaths of territory to China in the Arunachal Pradesh in the North East and also in Ladakh, North East of Kashmir. China seems little interested to resolve this five decade old dispute, as it is in occupation of the disputed territory. India is at a disadvantage as it cannot

deeply apprehensive about growing Chinese influence and military might in the Asian region.

Though both countries have exchanged visits at the highest levels - the distrust lingers. Modi's frustration came out when he told reporters that he had asked China to reconsider its approach on some of the issues (read border dispute) that hold bilateral ties back from realising their full potential. However, India opted for "part containment and part engagement" policy

towards China. Though the "containment" part is not clear, the "engagement" has been primarily economic and cultural.

India's bilateral trade has grown from \$2 billion in 2001 to \$65 billion in 2014. Investment has also grown, but slowly. The vast Indian market is a natural choice for the growing Chinese economy. As a result India's trade deficit has bloomed to \$38 billion (2014). Modi sought to reduce this burden asking China to remove trade barriers. Before leaving Shanghai, Modi witnessed Chinese firms signing deals with Indian companies worth more than \$22 billion.

Politically India is at odds on how to deal with China's "One Belt One Road" (OBOR) development framework. It has two components - land-based "Silk Road Economic Belt" (SREB) and ocean route "Maritime Silk Road" (MSR). China has earmarked \$40 billion for this project. India has not responded to this initiative, because "China-Pakistan Economic Corridor" is its main component. President Xi Jinping visited Pakistan last April and signed agreement regarding this project.

India is deeply suspicious as this corridor will run across Karakoram ranges through Pakistan controlled Kashmir into the Arabian Sea at Gwadar. To India it is a Sino-Pak attempt to encircle India.

Actually OBOR is the Chinese counter plan to Washington's "Asian Pivot", which aims at containing China. With India trying to warm up to the Americans, there is ambivalence in Delhi about OBOR.

Every time China and India exchange visits at the highest levels they are termed "milestones". This time Indian media also hyped Modi's visit, but kept harping on resolving the border problem. Modi, seen as a hard line leader, made all the pledges of friendship and good relations. He did not make any big fuss over the border problem. He left China with a good economic package.

The writer is former Ambassador and Secretary.

LETTERS TO THE EDITOR

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All the best, Tigers!

Bangladesh has done very well against Pakistan in the recent ODIs and T20, though the test series was not up to the mark. However, we hope that Bangladesh can continue their form against India in the upcoming series.
Nafis Nihal Ferdaus
Anandamiktan School
Sylhet



TDS's commendable initiative

The Daily Star has awarded 1760 top achievers in the O and A level examinations of session 2013-14 this year. These young achievers have earned success competing with students around the world. They are our hopes in the midst of an environment of hopelessness.

Awarding these achievers is surely a highly commendable act of The Daily Star. The Daily Star's efforts and initiatives in this regard are inspiring for the students, their parents and even for the teachers involved. Moreover, this inspiration will help the incoming batches of O-level and A-level students excel in their studies. Therefore, other affluent people and organisations of the country ought to come forward to inspire our children.

Mohammad Rukanuddin
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