

Leather sector's export picking up

Relocate Hazaribag tanneries to unlock full potential

It is heartening to note that we have had two consecutive years of good export earnings from the leather and leather goods sector. The figure for 2014-15 is estimated at \$1.13 billion, slightly up from \$1.12 billion recorded in the previous fiscal year. Although consistency in growth is welcome given the crisis in Euro zone, the total earning is modest by all accounts. In the first place, we are falling short of the targets with the result that we find ourselves on somewhat unsure grounds to be making realistic and redeemable projections for the sector's future growth.

For instance, this year's performance missed the target of \$1.4 billion by 19.09 percent. To be realistic, therefore, the next year's target has been revised downward to \$1.21 billion, representing a mere 7.28 percent increase in earning over the level of last fiscal year. This rate needs to be progressively accelerated if we are to attain our target of \$5 billion by 2020, just five years on.

The potential is huge with the global export market being worth \$215 billion of which our current share is only 0.5 percent. Even so, the sector is the second largest export earner after the garments.

The way forward is easy to envision. The priorities are three-fold: First, remove the major hindrance to export by expeditiously relocating the polluting Hazaribag tanneries to Savar with no further extension allowed to recalcitrant industries. Two, negotiate with Japan which has 30 percent share of our export to retain duty-free advantage for us. And finally, we diversify export destinations through aggressive salesmanship based on focused policy backup.

Erosion of trust on police

Bloggers need protection

The report in this newspaper yesterday about how the bloggers are losing trust in the law enforcing agencies regarding their capability and indeed willingness to provide them with the minimum of security is very distressing. When the society or a part thereof loses faith in an institution of the state then it is time for those that run the affairs of the state to act firmly.

The said report has exposed why the matter has come to such a pass that the bloggers are no longer willing to seek the help of the police for their safety. It is indeed a serious matter when they come to believe, rightly or wrongly, that the details of their whereabouts might get to the killers. There is apprehension too that recent comments of police high ups regarding crossing the limit of temperance may in fact encourage the killers. Consequently, some bloggers have found it expedient to seek safety elsewhere outside the country.

The bloggers have become an endangered species in the country. Regrettably, except for one case, there has not been any palpable development with regards to identification and nabbing of the killers in the rest of the cases. Regrettably too, some extremist elements have been successful in painting the entire community of bloggers as atheists, and attempted to convey, by implication, that atheists are anti-Islam.

While the society must come together to address the menace, the feeling of insecurity that pervade the minds of the people in general must be removed through immediate and appropriate measures by the police.

COMMENTS

"Towards a consensus on Bangladesh priorities" (August 14, 2015)

Ramiz Khan

The immediate focus should be on the energy sector. This is interlinked with all other sectors of the economy and particularly in making 'Digital Bangladesh' a reality.

Aminul Islam Jewel

Ensure proper training first. Training is the most important thing to develop human resources.

Bengal Man

Dismiss each and every corrupt person from the administration.

Sujon Mondal

Unity should be the first priority; training second and creating business opportunities the third.

Shirin Ali

We need to change the education system; we also need policies to create more opportunities for small businesses.

Momin Milon

Land and housing should be owned and controlled by the state. It will reduce and ultimately eradicate corruption. Unite people as Bangladeshis regardless their religion, caste or ideology. Restructure public transportation and create economic zones in each and every district.

USA should do more for Bangladesh



FAHMIDA KHATUN

MACRO MIRROR
The Trade Preference Extension Act of 2015 signed by US President Barack Obama on June 29, 2015, brings afresh the concerns and frustrations of Bangladesh. The Act authorises the Generalised System of Preference (GSP) through December 31, 2017 and makes GSP retroactive from 31 July 2013. It provides duty free treatment of imports from 122 countries and territories effective from July 29, 2015. Unfortunately, Bangladesh is not on the list, though its South Asian neighbours such as Afghanistan, Bhutan, India, Nepal, Pakistan and Sri Lanka are among the GSP beneficiaries.

The USA suspended GSP for Bangladesh on June 27, 2013, effective from September 1, 2013, following labour rights and safety issues after the collapse of Rana Plaza on April 24, 2013. Since then, Bangladesh has made significant improvements towards meeting the 16 compliance related issues in the readymade garments sector. The National Tripartite Plan of Action on Fire Safety and Structural Integrity, along with two global buyers' groups namely, Alliance of North American buyers and Accord of the European buyers inspected over 2000 factories and closed the vulnerable ones (only 1.78 percent of total factories). The labour law of the country has been amended and the right to form trade unions in factories, including in the special economic zones, has been approved. The minimum wage of RMG workers has been raised to \$69 in November 2013, in an attempt to

make it comparable to other competing countries and to allow a decent life to workers. The new wage is close to that of India where RMG workers' minimum wage is \$71.

Bangladesh also signed the Trade and Investment Cooperation Framework Agreement (TICFA) to improve bilateral trade relations through a platform, and in the hope that TICFA could be a vehicle for GSP retention. The US Trade Representative Ambassador Michael Froman, during the signing of TICFA, assured that TICFA "will provide a formal mechanism for Bangladesh and the USA to engage in regular discussions on trade and labour issues like the GSP action plan and enable countries to work together to improve labour conditions and workers' rights in Bangladesh." (www.bdembassyusa.com)

Sadly, Bangladesh has been deprived of various trade facilities which the USA offers to other countries. GSP was granted to Bangladesh for only less than 1 percent of its total exports. But its major export item, readymade garments, which is about 92 percent of total exports to the USA, is outside GSP. As a result, Bangladesh currently pays 15.61 percent as duty for exporting RMG to the USA. In 2005, at the WTO ministerial meeting in Hong Kong, RMG was on the "3 percent exclusion list" of the USA, as they agreed to provide duty-free, quota-free access (DFQF) to 97 percent tariff lines, keeping RMG outside of it. Then in 2013, at the ninth WTO ministerial conference in Bali, the development package stipulated that developed countries, which are yet to provide DFQF to least developed countries, would do so for more than 97 percent tariff lines before the tenth WTO ministerial conference. The progress is depressing. Ironically, GSP is offered to many countries whose political system is not particularly favoured by the USA.

GSP is the largest and oldest US trade preference programme that promotes economic development of countries through elimination of duties on up to 5,000 types of products. This also aims to provide opportunities for many of the world's poorest countries to use trade to grow their economies and climb out of poverty.

If that is so, then Bangladesh very much falls into the recipient category. Though recently Bangladesh has graduated from a low income country to a lower middle income country, it still falls under the category of the Least Developed Countries (LDC). A large number of its population lives below the poverty line. To lift these people out of poverty, the government has to generate adequate employment through higher investment and trade. The country is vulnerable to the impact of climate change for no fault of its own. Without international cooperation, these challenges will continue to obstruct the development of Bangladesh. Attaining the newly promised Sustainable Development Goals of the United Nations by 2030 will also be difficult.

Bangladesh's resilience through tough times - both natural and manmade - has been astonishing. Despite the suspension of GSP, export of non-RMG products to the USA has increased in 2014 and 2015, implying that it could be even higher in a duty-free regime.

GSP is of course not the end of the world. But what matters is the attitude of the USA towards Bangladesh. As the Bangladesh government now prepares to send its delegation to urge the USTR for reviewing GSP, it should also look beyond the GSP. We have to come to terms with the fact that compliance is the name of the game to survive in the export market in the present day context. Unmet conditions such as formulation of rules under the labour law, amendment of law

for workers in the EPZs and the end of violence and harassment of workers' representatives will have to be addressed to improve compliance.

Compliance is also a moving goalpost. There will always be new requirements from buyers and buying country regulators. We have little choice but to accept them. Diagnosis of underlying reasons and smelling politics in this decision will not take us anywhere. Economic decisions, in the end, are also political decisions. Otherwise, countries with far less compliance wouldn't be enjoying GSP facilities.

On the part of the USA, it can't shrug off its responsibilities from a plethora of issues. US aid flow to Bangladesh remains low, even though high tariff is paid by 'Made in Bangladesh' exports to the USA. A simple move to reduce tariff will allow Bangladeshi exporters to export more and invest on productivity improvement and workers' welfare.

We would also like to see more concrete support for trade promotion and poverty alleviation of Bangladesh as promised. The USA could invest in improving the supply side capacity of Bangladesh. Providing aid for trade towards technological upgradation, capacity development of workers and mid-level managers, and exposures of entrepreneurs in various US centres of excellence on business are some of the areas where the United States could contribute. Programmes similar to 'JOBS' of the USAID should be re-launched for the development of export oriented sectors of Bangladesh, as these schemes also create employment opportunities for the poor.

And as for the GSP facility, Bangladesh deserves a fair and pragmatic treatment from the US government.

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PROJECT SYNDICATE

A hanging in India



SHASHI THAROOR

AWAKENING INDIA
ON July 30, Yakub Memon, a chartered accountant and the brother of a notorious gangster now living in self-imposed exile, was hanged for complicity in the planning and execution of serial bomb blasts that killed 257 people in Mumbai in 1993. The hanging, India's first in three years, has prompted reactions ranging from dismay to scarcely concealed bloodlust. And it has intensified the domestic debate over the death penalty.

To be sure, no one suggests that India's judicial system did not function properly in Memon's case. He was convicted according to due process of law, and his punishment was in accordance with valid statutes. During his 21 years behind bars, Memon exhausted every possible appeal available to him, including one for presidential clemency. The Supreme Court even held an emergency hearing at 2:30 in the morning, just hours before the execution was set to occur, before deciding to allow it to proceed.

But the question remains: Should capital punishment be on the books at all?

As an opposition legislator, I attracted considerable opprobrium for voicing my opinion, on the morning of Memon's hanging, that it should not be. I expressed my sadness that our government has killed a human being, whatever his crimes may have been. State-sponsored killing diminishes us all, I added, by reducing us to murderers, just like those we are punishing.

My view is not popular in India, and my own party disclaimed my statement. But my position is based on ample evidence that the death penalty does not actually deter the crimes it punishes. Data collected by the Death Penalty Project at Delhi's National Law University demonstrate conclusively that there is no

statistical correlation between applying the death penalty and preventing murder. This evidence echoes similar findings in other countries.

My statements were also motivated by problems with the way capital punishment is imposed in India. The Supreme Court has declared that the death penalty should be applied only in the "rarest of the rare" cases. And, indeed, the last three executions in the country stemmed from terrorist offenses that threatened or took a large number of lives.

But the decision to impose capital punishment remains highly subjective. Indeed, whether the death penalty is meted out depends on a number of variables, beginning with judicial and

death penalty, regardless of their personal opinions. This leaves much room for the arbitrary and disproportionate application of capital punishment.

From 2010 to 2013, 436 death sentences were handed down by lower courts. Of those, 280 were commuted to life imprisonment, with many of the other cases likely to remain in limbo for decades. As for the death sentences that have already been carried out - two in that four-year period - it is impossible to ascertain the objective criteria that made the crimes in question more heinous or "rarer" than those that did not merit execution.

Ambiguity and subjectivity have no place in matters of life and death. Yet, when it comes to the imposition of

was overwhelming.

That will not happen any time soon. The Indian public overwhelmingly supports the death penalty, especially for convicted terrorists. The debate over Memon's hanging was often emotional, with media interviewing survivors of the Mumbai blasts.

Moreover, it has been suggested that the alternative to the death penalty - life imprisonment - would make India vulnerable to hijackings and other assaults by terrorist groups attempting to free their jailed comrades. In the face of such security concerns, my argument that taking a human life is wrong, and that the state should not compound criminal wrongdoing with its own, found little resonance.

Globally, India is part of a dwindling minority. More than 130 countries have abolished the death penalty. Twenty-five countries have it on the books, but have not executed anyone for decades. That leaves roughly 30 countries that still apply it.

India's membership in this group has international repercussions; for example, European Union countries will not extradite criminals to countries where they may face execution. But the real problem is deeper: capital punishment is, at its core, about nothing more than retribution.

It may be tempting to declare that anyone who kills (or participates in killing) innocent people does not deserve to live. But is revenge a worthy motive for a state's actions, especially toward its own citizens?

India's greatest son Mahatma Gandhi observed that "an eye for an eye makes the whole world blind." For now, India remains blind to the case for abolishing the death penalty. One day, I am sure, it will see the light. Until then, the lonely battle for its abolition must continue.

The writer, a former UN under-secretary-general, is a member of India's parliament for the Congress party and Chairman of the Parliamentary Standing Committee on External Affairs.

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LETTERS TO THE EDITOR

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The R4 rural resilience initiative

With an aim of building long-term resilience to climate change for food and income security, the World Food Programme (WFP) and Oxfam have successfully implemented a programme called 'The R4 Rural Resilience Initiative' in Senegal and Ethiopia. The initiative has four risk management strategies viz. improved resource management through asset creation (risk reduction), insurance (risk transfer), livelihoods diversification and microcredit (prudent risk taking) and savings (risk reserves). One of the key features of R4 is bringing small farmers within agricultural insurance

scheme by enabling the poorest farmers in Senegal and Ethiopia to pay for crop insurance with their own labour. Protected by agricultural insurance, farming families facing a drought or other shock no longer find themselves forced into desperate measures, such as selling their farm animals or taking their children out of school.

In Bangladesh, small and landless farmers could be brought under agricultural insurance through implementing R4 strategies, I think their overall socio-economic condition will improve and they will be better prepared to face the climate change disasters.

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CCTV usage

Nowadays in modern cities, authorities install CCTVs to cover the entire city to prevent citizens from committing crimes. As the law and order situation of our country is deteriorating day by day, our government should also take such initiatives to bring the major cities under CCTV coverage. I believe setting up CCTVs will make the city safer.

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