

Too many migrant worker deaths

Why such indifference towards them?

A Daily Star report has found that over the last decade the number of Bangladeshi migrant workers who have died abroad of stroke or heart attack has been increasing every year. Last year, 3,375 bodies of migrant workers arrived in Bangladesh. Many others have been buried abroad. Most of these men were below 40 which makes such deaths all the more tragic.

It is unacceptable that the lives of these men, most of them in their prime, should be cut short because of the hardship they face in foreign lands. Low income that do not cover their healthcare costs, poor diet, long working hours, anxiety over how they will pay off their debts, a hostile environment in foreign soil – these are some of the reasons why our migrant workers suffer mentally and physically.

Remittance from their hard earned labour account for a large part of our foreign exchange reserves and is a major factor in our stable economic growth. These earnings have also boosted the economic status of families and allowed thousands of children to carry on their education. Such huge contributions to our national economy and social development warrant greater efforts to ensure the welfare of our migrant workers. It is incomprehensible why the ministry concerned has not carried out a proper investigation into these deaths. Such indifference towards those who are instrumental in our economic development is deplorable.

Now that the expatriates and welfare minister has said that an investigation will start, we hope that such a probe will lead to the government taking effective measures to make sure that our workers do not have to suffer such dire conditions that lead to their untimely deaths.

Elimination of child labour

Our strategy needs be realigned

WHILE we can take comfort from the fact that we have been able to reduce the number of child workers by two million in the last 10 years, a large number of children are still employed in hazardous work. These include glass factories, welding shops, garbage collection points, tanneries and ship breaking yards. A large number of children also work in households as domestic help with little or no pay. To make it even more grievous, these children do not enjoy any free time. Many face torture and abuse.

It is now evident that it will take a few more years to completely eliminate child labour. There are some social and economic conditions that are resisting the removal of such practice. Most of the children employed in economic activities come from poor backgrounds, because of which their families have to send them to work to earn a living. As a result, when the children should be enjoying the pleasurable ambiance of the schoolroom and playground, some children have to grind hard just for a morsel of food.

It is indeed incumbent upon us to remove the causative factors that allow the prevalence of child labour in our workforce. Parents should be encouraged to send their children to school. Also, the strategy to eliminate child labour needs be realigned to incorporate the ground realities. The curricula at the secondary level should have technical and vocational training so that the poor families see the reason for investing in the education of their children. We also suggest a strict enforcement of laws against child labour.

COMMENTS

"How long will it take?"
(January 30, 2016)

▼
Lota

Given the present condition of our country/administration/government, I wouldn't be much surprised if the tanneries never relocate.

▼
Jahanara Begum

The previous deadline has passed. This time, the government has set another deadline for the relocation of the tanneries. Let's see if it works!

The disaster that is Hazaribagh



SYED MANSUR HASHIM

WHILE the readymade garments sector in Bangladesh has drawn international ire for lack of safety through the Rana Plaza collapse and other accidents, another sector that is spewing death on a much grander scale, i.e. the tannery industry, thrives in relative obscurity. Yes, we are talking about Hazaribagh where an estimated 200 or so tanneries constitute the backbone of the leather industry contributing about US\$1 billion to the annual export basket and deemed to be the next RMG-like miracle for the economy. "Hazaribagh" means "thousands of gardens"! It is anything but pristine, rather a wasteland of toxic chemicals; (according to recent estimates) factories located there dump around 21,000 cubic metres of untreated waste into the Buriganga River on a daily basis. The Buriganga happens to be Dhaka's main source of water.

Looking beyond the fact that workers engaged in the industry operate with little protective gear to safeguard them from hazardous chemicals such as chromium, environmentalist groups and experts alike point out that since untreated chemical waste is making its way into the principal river that feeds Dhaka, the surge in respiratory problems, skin ailments and the upsurge in cancer cases is only to be expected. And although there are laws that specifically prohibit the operation of a tannery factory without a treatment plant, there is evidence to suggest that the factories in Hazaribagh do not bother with such rules and authorities turn a blind eye to what goes on there.

According to one study in 2014 carried out by the Department of Environmental Science, Bangladesh Agriculture University (S.H. Tinni, M.A. Islam, K. Fatima and M.A. Ali), the effects of such dumping are multifarious. First, there is the "bad smell" factor for Hazaribagh residents. The use of some 40 different types of metal and acid in the raw hide processing, 40 per cent of which is absorbed into the leather whilst the rest is discarded into surrounding water bodies. This leads to environmental degradation. Other hazardous toxins used in the production process include: Sulphuric acid, Formic acid, Caustic soda, Soda ash, Arsenic Sulphate, Potash, etc. Then we come to human diseases. About a third of the people (living in the vicinity of Hazaribagh) suffer from various types of skin diseases as the water supply is contaminated. With black sludge flowing freely into the drainage system, high content of untreated chemicals find their way into nearby streams, ultimately ending up in the Buriganga River, and thereby affecting the greater populace of Dhaka city. Both livestock and fisheries production in the area have taken a nosedive in the area as livestock fodder becomes toxic and oxygen levels in water bodies like the Buriganga decrease.

The first serious initiative to relocate Hazaribagh tanneries outside Dhaka came through a High Court order in 2009. The aim was simple; to make an environmentally-friendly tannery zone that would

protect Dhaka city's water supply from sustained contamination. This is 2016, and the industry has not budged an inch. We are living with an industrial hub in the heart of the city that serves as a magnet for rural migrants who live in squalid circumstances in the slums that litter the area. We have been led to believe by the government that the industrial estate that has been built in Savar is practically complete, but transfer has not been made possible due to reluctance of factory owners. According to a report titled "relocation of tanneries" published in this paper on January 30, we get a whole different story.

In the midst of the repeated deadlines over the years, we were informed on January 9 that unless tannery owners relocated their factories to Savar within 72

hours, authorities would close down errant factories. The 72-hour ultimatum came and went and the deadline so forcefully declared has been extended to March 1. We find that facilities in Savar are far from complete and this includes the central effluent treatment plant (CETP). Indeed, we find that "out of some 150 plot owners, only about 30 have made some notable progress in setting up their establishments" and given the rate of progress, authorities have surmised that only about 30 factories will be in a position to relocate within the next two months. So, why have we been led to believe that tanneries will relocate to Savar by March 1?

Authorities continue to insist that work on CETP is nearly concluded and will come into operation once



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the bulk of the tanneries relocate. Is it even remotely plausible that the rest of the industry will relocate within the new deadline period? Indeed, if we are to take at face value what a former president of Bangladesh Finished Leather Goods Manufacturers' Association has stated recently that given present realities, tanneries will be able to relocate by June, precisely who is going to foot the bill of Tk 3,500 crore to complete relocation? Apparently the government has coughed up Tk 250 crore and hence the whole process is, literally, up a gum tree. And while all that is going on, public health of the 15 million or more residents will continue to suffer. Cases of serious ailments amongst the young and the old will continue to pile up. Diagnostic centres will keep making a killing as the number of patients climb exponentially. Because authorities have shown little regard for the physical well being of its citizens, to expect a change of heart would perhaps be asking for too much; but we must continue to believe that public health must take precedence over profits.

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Homework for monetary policy

OPEN SKY



BIRU PAKSHA PAUL

THE latest monetary policy, which the central bank governor had announced recently, has passed through the market with a fair amount of approval, but some economists found it 'self-contradictory.' The repo rate, which we call the policy rate, has been lowered to 50 basis points to reach 6.75 percent from 7.25 percent. Staying 200 basis points below the repo rate, the reverse repo rate has been pushed to slide to 4.75 percent from 5.25 percent.

In the backdrop of a historically low interest rate regime, the market did not hesitate to welcome this move by Bangladesh Bank – a rate cut that took place after three years. However, fixing private credit growth at 14.8 percent for the rest of the FY2016 seemed inadequate to some economists, as they find this aspect of the monetary policy to be restrictive, cautious and slightly contractionary. It won't be unusual to find a sense of self-contradiction in the current monetary policy if this stance on private credit growth swims against the indicatively expansionary stance on the policy rate cut.

These comments on private credit growth, nevertheless, should be taken with a grain of salt. The monetary policy of July 2015 targeted 15 percent growth for the entire FY2016. A half yearly revision in December 2015 found the

real growth rate in that sector to be 13.8 percent. As a result, setting the target to 14.8 percent for the rest of the year appears pragmatic and encouraging for the private sector that occupies 35 to 40 percent of our GDP. The realised figure of December 2015, rather than the targeted figure of July 2015, should be the appropriate example to judge the targeted figure for June 2016.

The alleged 'self-contradiction' gets sufficient clarification, if private credit is viewed from that angle. Of course, there is room for arguing that private credit growth should have been nudged up in the target to reach 15 percent or above. And the space remains open, as the governor assures of interim adjustments should private credit signal any excess appetite.

The question still remains as to why the central bank did not make this adjustment in the first place while designing monetary policy. Would that not seem more encouraging for the market and the private sector? There are three responses to this question: the fear of self-defeat, credit dispersion and quality, and finally, the possibility of overheating the economy.

The first point asserts that high credit growth will eventually mar the real intention. If the central bank assigns higher private credit growth, growth in money supply must go up, stoking the possibility of inflation, especially in the non-food sector. This kind of inflation will erode real consumption, throwing cold water on private investments in the subsequent periods. So, the ultimate objective of promoting private

credit will be crushed by this self-created monster.

Are there scopes for internal adjustments in the components of money supply? Very little. Net Foreign Assets (NFAs) and Net Domestic Assets (NDAs) are the two major components of money supply. Since NFAs are by and large externally determined, any move to target higher private credit growth through NDAs will directly hit money supply, fuelling inflation in the end. Hence, central banks often find their hands tied and they have a narrow driveway to manoeuvre.

The second point for remaining moderate on private credit growth is better credit dispersion and improved credit quality in recent years. Not escaping our eyes is the growing financial inclusion that distributed credit all around, particularly to empower the poor and women. This focused approach to loan disbursement has sharpened what economist Keynes termed marginal efficiency of capital. If 6.5 percent output growth, which is more than 20 percent private credit growth delivered three years ago, can now be achieved through 13 percent credit growth, does it not prove improved credit quality through better social inclusion?

Credit concentration in the hands of the few super-rich has been put on a downward spiral by recent banking practices, releasing more funds for micro, small and medium enterprises that now eclipses almost one-third of the total outstanding loans. The central bank draws enough oxygen from the

recent development in loan disbursement. Accordingly, the regulator strongly believes that even a 14.8 percent private credit growth would be good to register a 7 percent output growth if both fair dispersion and credit quality can be guaranteed. The recent slimming of the gap between loan disbursement and recovery in micro, small and medium enterprises lends credence to credit quality and a buoyant investment climate.

The third point in order to remain slightly moderate on private credit growth is the possibility of overheating the economy. Being in the driver's seat, the central bank does not want to risk the lives of its passengers by over speeding the bus. Excessive credit growth may siphon off funds to fuel illicit money transfer or to embolden the stock market with bubbles that are doomed to burst soon. If a credit bulge pumps up production beyond its potential, a demand hype will aggravate non-food, non-fuel core inflation, which shows no sign of abating in recent months.

The fear of demand-pull inflation, pertinent to the Phillips curve, always makes the central bank behave like a judicious 'dad' with his demanding 'wife' in a family of ten children. The longest-serving US Fed Chair William Martin defined the central bank's job as "to take away the punchbowl when the party gets going." The current monetary policy had gone through this homework, before being announced by the governor.

The writer is chief economist of Bangladesh Bank.

LETTERS TO THE EDITOR

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Combat global warming

Global warming is a global issue and we need effective measures to combat it. Our government should also look into this matter seriously before it's too late and try to reduce pollution to a great extent as it is the main source of global warming. For several years, we have been immensely affected by climate changes. It is high time nations did everything to tackle global warming.

Abdul Kader Jilani
On e-mail

As Israel faces international condemnation over its plan to build 153 new settlement homes in the Israeli-occupied West Bank, the watchdog group Peace now reports that Israel's defence minister has approved the construction of the new Jewish-only homes last week. The plan sparked swift criticism from the UN Secretary-General who called the settlements "an affront to the Palestinian people and to the international community." In response, Israeli Prime Minister Benjamin Netanyahu said Ban Ki-moon's criticism gives "a tailwind to terrorism" and that the

Israeli settlements are expanding

"UN lost its neutrality and moral force a long time ago."

The Israeli settlements are expanding and flourishing. More and more people are moving into the West Bank. Israel has everything their way now! They've got all of Israel and they've got all of Jerusalem and they want to keep it all and they don't have any intention of sharing it with anybody.
Ted Rudow III, MA
CA, USA



For the sake of democracy

It is shameful for the ruling party to brag about democracy when most of the members of parliament were elected without contest. This practice is unhealthy for democracy. We demand that the government takes necessary measures to create an environment for free and fair parliamentary elections, ensuring the participation of all major political parties. The sooner this is done, the better it is for our democracy.

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