

World leaders fiddle as global economy (and Amazon) burns



AN OPEN DIALOGUE

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LEADERS of the Group of Seven (G7), comprising the world's largest economies, met for three days in Biarritz, France on August 24-26 but failed to address any of the important global

issues including climate change, trade war(s), the looming economic slowdown, etc. It has been reported that the French government spent over 40 million euros to provide security for the summit. Ironically, the summit could offer only USD 22 million to Brazil to fight the Amazon fires, which the latter promptly rejected.

As we head into the last few months of 2019, the world economy is in distress and political leaders, central bankers, and economists are scratching their heads to come up with policies to stave off a recession. On the environmental front, the fires burning in the Amazon rainforest in Brazil have drawn global attention, with France and Germany threatening to scuttle a trade deal between EU and South America unless Brazil puts out the fire, so to speak. And the trade war goes on and on with both China and the US threatening to escalate the tit-for-tat spectacle unless the other backs down!

One cannot fault President Emmanuel Macron, the host, for trying. While he has failed to highlight the economic crisis, he did cry out—"We're facing a historic challenge to the world order"—on the eve of the summit to grab the attention of his fellow summiteers.

Macron urged the G7 to lead the summit discussions with the 2019 Amazon wildfires, which he described as an international crisis. "Our house is burning. Literally," Macron said, adding that the Amazon rainforest produces "20 percent of the world's oxygen." Some of the countries attending have said they would block a trade deal between the European Union and Brazil's economic and political bloc unless the country takes action.

US President Donald Trump, on the other hand, offered to take the position of the Brazilian government to the meeting and said that the US government would not agree to discuss the issue without Brazil's presence. The United Kingdom, Italy, Japan, Spain and Chile also supported Brazil.

The G7 countries (Canada, France, Germany, Italy, Japan, the United Kingdom and the United States) are not alone in applying pressure on the Brazilian government when it comes to responding to the Amazon fires; political leaders, civil society leaders and celebrities around the world have called for an end to the destruction of the forest, which contains at least 10 percent of the planet's biodiversity.

The G7 leaders also missed a golden opportunity to come to terms with the uncertainty in the world economy and



The G7 leaders missed a golden opportunity to come to terms with the uncertainty in the world economy and commerce that the trade war and other circumstances have created.

PHOTO: IAN LANGSDON/AFP

commerce that the trade war and other circumstances have created. The central banks in the US and EU are lowering their interest rates in anticipation of the predicted economic slowdown. The prospect of a no-deal Brexit, rising tensions in Hong Kong, and volatility in the global financial markets have not helped in creating a stable environment necessary for poverty alleviation and Sustainable Development Goals (SDGs). One can only hope that the upcoming UN General Assembly meetings in New York will be able to refocus global attention on the urgent economic and social priorities.

It is time for the world leaders to get together and reaffirm their commitment to SDGs and send a clear signal to the US and China to take into account the damage that their squabble has created and what a recession might bring for the rest of the world. During the last global economic slowdown in 2007-2010, millions of jobs were lost, both in advanced economies and the developing countries. Central bank leaders are worried that, unlike the last time, a future recession will be difficult to pull out of. Interest rates in both the US and EU are already low. In their recent meeting in Jackson Hole, Wyoming, USA, they voiced their grave concern regarding the deleterious effects of the year-long trade war and currency manipulation. Jerome Powell, the chairman of the Federal Reserve System of the US, cautioned that the Fed's tools aren't well suited to counter rising business and investor anxieties over the intensifying trade war between Trump and Xi Jinping.

Stephen Mihm of Bloomberg News writes, "As more countries that aren't part

of the original dispute become collateral damage in this conflict, (one can) expect central banks to protect themselves. As some currencies slide more than others, some countries may use tariffs to level the playing field."

To make things worse, the US has engaged in a mini-war with its European partners. It is blaming the other G7 countries, including China, for fuelling the economic slowdown due to lack of economic growth in their respective countries. According to Lawrence Kudlow, director of the White House's National Economic Council, "the US has created 6.2 million jobs which is more than five times the average of the other G-7 economies. While the US economy grew at 2.6 percent, the G-7 countries grew at 1.5 percent."

Fortunately, there are saner voices that might prevail and calm things down and grapple with the economic distress signals coming from the global theatre. The US Fed's chief cautioned the Trump administration that the trade war was aggravating the global economic slowdown, which not only is harming China but has also weakened US manufacturing and business investment. Dr Stanley Fischer, former Fed vice-president and deputy managing director of IMF, was very outspoken at the Jackson Hole meeting and warned that President Trump's behaviour posed a threat to the international monetary system and that he was "trying to destroy the global trading system."

While Macron might be in trouble in his own country with the year-long "yellow vest" movement, he is playing a powerful role in global environmental movement and his office accused Brazil's

leader of lying about his country's efforts to protect the environment. The Amazon, 60 percent of which is in Brazil, is the world's largest tropical rainforest. It is considered a biodiversity hotspot with many unique species of plants and animals.

Earlier, President Bolsonaro of Brazil had promised the EU that his government would be a "responsible steward of Amazon". But the recent fires have threatened the trade deal between EU and Mercosur, a group of four nations led by Brazil, which would create a bloc of 780 million people representing a quarter of the world's economy.

Finally, a word or two about the shaky world financial order. Global manufacturing surveys indicate that industrial production in more countries has been falling to levels associated with contraction, with declines in large economies in Germany and China weighing heavily on markets, according to a report published in the Wall Street Journal on August 24. An index of factory activity in August declined in the US, Japan, Germany and the eurozone. The US government bonds sent a fresh warning about the economy: the 10-year Treasury yield in late August briefly slipped below that of the two-year—often viewed as a sign that a recession could be imminent. When long-term rates fall below the short-term, pundits call this the "inversion of the yield curve" and this has in the past been associated with an economic downturn.

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Bangladesh should not be the dumping ground for NRC left-outs



MOHAMMAD AL-MASUM MOLLA

INDIA'S publication of the National Register of Citizens (NRC) in Assam, a province that shares its borders with Bangladesh, virtually strips 19 lakh people of their citizenship, pending appeals. The register is essentially a list of people who failed to prove they came to India before March 24, 1971, just before Bangladesh's war of independence began.

Top political leaders of India have said on several occasions that they need to identify illegal Bangladeshi migrants. The fate of these "illegal migrants" is still unclear. But it is quite evident from the rhetoric that there will be attempts to eventually deport these people as illegal Bangladeshi residents from Assam and the rest of India.

India shares a 4,000-km-plus border with Bangladesh, along West Bengal (which accounts for more than half the border), Assam (the least, after Mizoram), Meghalaya, Tripura and Mizoram. Some of the border is riverine, and impossible to fence off. Even on the fenced grounds, the border is permeable. A World Bank publication from 2016 listed the Bangladesh-India "migration corridor" as the busiest after that of Mexico-United States and Ukraine-Russia.

Given the general perception in India that millions of illegal Bangladeshi migrants work in India, the demand for NRC is being raised in other Indian states as well, and the ruling BJP appears very sympathetic to the demand and quite resolute in eventually deporting them. The same rhetoric prevails in West Bengal and Tripura. It is nothing but a case of political expediency and the Assam NRC is an example.

However, the commonly manufactured Indian myth that millions of "Bangladeshi nationals" live in Assam has been debunked by its own device. Having excluded mostly non-Muslims from a previous list, the NRC now claims the number of "illegal migrants" stands at 1.9 million.

The number would presumably decrease as people appeal and their cases are resolved. Another point to note is that it is only about five percent of Assam's population. It is not unusual for a third-world country or state to have five percent of people who do not have valid documents of citizenship. The scenario would be similar in Bangladesh, too, if one were to conduct such a survey.

Ironically, the whole process had been exercised to exclude the Muslim community. But according to the NRC, the majority of the excluded were from the Hindu community. The BJP government should realise that the whole approach to see the issue through the lens of religion has been a great mistake and has backfired.

At the same time, Bangladesh should be prepared to counter such a move diplomatically and politically. Bangladesh is already suffering from the massive exodus of Rohingya refugees, with locals getting wary as they are bearing the brunt of about a million refugees living in their vicinity. Another influx would have dire consequences on the economy, to put it mildly.

Although India has, time and again, insisted that this is an "internal matter" of the country, experts believe that Bangladesh should, in the event that the situation in Assam deteriorated further, engage India in bilateral discussions regarding the eventual consequence of this apparently discriminatory NRC, and make the outcome of the discussion public.

It may well be that the "illegal migrants" are herded into camps where life would be difficult and people would be unwilling to reside there. This could trigger a spontaneous exodus into Bangladesh and the government should have a clear strategy to counter such a scenario, unlike the time of the Rohingya exodus when there was no such preparation.

Currently, India and Bangladesh enjoy very close ties. Dhaka has helped India deal with militants operating from Bangladesh. Both countries also enjoy a robust trade partnership. India is currently the second-largest source of Bangladeshi imports while the value of exports from Bangladesh to India crossed USD 1 billion in the 2018-19 financial year.

Bangladesh should forcefully articulate that it is not a dumping ground for NRC left-outs. The friendly relationship that exists between the two countries must be strengthened. Any attempt to disrupt the relations would also affect regional stability and peace. That is something that nobody wants.

Mohammad Al-Masum Molla is a reporter at The Daily Star.

From Michigan to Bangladesh and everywhere in between, labour matters



EARL R MILLER

I grew up in the labour movement. I was born and raised in Flint, Michigan, a city so famous for producing automobiles that it was called "Vehicle City."

As the capital of the US automobile industry, my home state of Michigan was in the forefront of the booming mid-century American economy—and the labour movement that bolstered it.

My father worked in a General Motors automobile factory for 37 years as a United Auto Workers labour leader. He taught me that all workers have the right to dignity and justice in the workplace, a fair wage, a grievance system, safety protections, and the right to organise themselves.

The United States honours its workers with a national Labour Day holiday on the first Monday of every September. Today, I also honour the Bangladeshi workers I've had the privilege to meet in all eight administrative divisions during my first year as US Ambassador to Bangladesh.

In my travels across this remarkable country, I've toured garment and steel factories, ship-breaking sites, farms, and shrimp-processing plants. I've seen the workers in Bangladesh's informal recycling sectors collecting and separating the smallest electronics components and plastic pieces to keep them out of rivers and the waste stream and give them a new life. I've admired the incredible coordination required to fulfil international orders on short notice and produce some of the most beautiful



PHOTO: COURTESY

textiles in the world.

I've met with parents who leave their children at home in their villages in order to earn money in cities to build a better life. Everywhere I've visited, I've seen the resilience and spirit of workers building a better future for this extraordinary nation. And I've also seen the incredible progress made when employers and employees come together to build a better, safer workplace.

One of my priorities as Ambassador is to expand the already strong economic ties between our great nations. Did you know that Bangladesh supplied nearly USD 7 billion in goods to the United States in the last year? Of that total, around 85 percent came from the ready-made garment (RMG) sector, including

woven apparel, knit apparel, footwear, and other textiles. RMG workers—all four to five million of them—are an enormously important driver of Bangladesh's impressive economic growth.

Equally impressive are the safety improvements made in the six years since the Rana Plaza tragedy. In 2013, international brands made a commitment to set standards and invest in the safety of factory workers who make their products. They formed two initiatives to focus on improving fire, structural, and electrical safety in Bangladesh factories. Twenty-nine global apparel companies, retailers, and brands representing the majority of North American imports of ready-made garments from Bangladesh formed the

Alliance for Bangladesh Worker Safety to work with factory owners on safety improvements. Another 220 global apparel brands and retailers signed the Accord on Fire and Building Safety in Bangladesh.

In their initial five-year terms, the Alliance and the Accord together oversaw the full remediation of life-threatening safety issues in over 700 factories, remediated 90 percent of the hazards identified in 1,400 additional factories, and suspended around 350 factories. The Alliance also trained over 1.6 million workers, 28,878 security guards, and factory managers in fire safety. After the Alliance completed its term in December 2018, several former members launched Nirapon, a locally managed organisation to monitor the ongoing safety, training and helpline efforts of the 600 factories from which Nirapon members source.

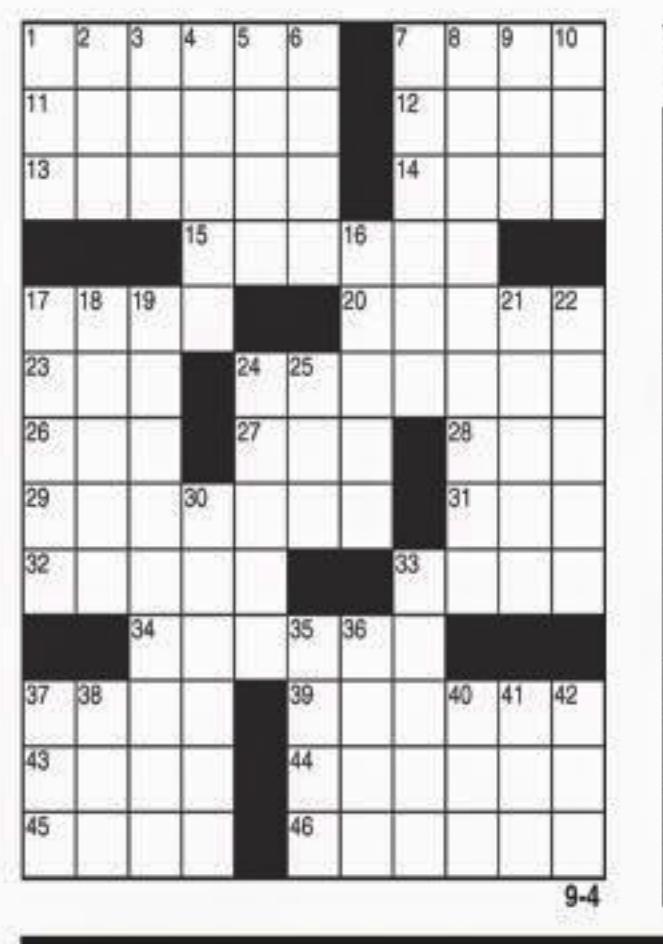
At the end of its five-year term, the Accord had completed 90 percent of its remediation work and, in May 2019, was granted permission by the Bangladesh Supreme Court to continue operating for one year. The "Transition Accord," with over 200 brand and retailer signatories, will hand over Accord Bangladesh operations to a national entity consisting of representatives of the Bangladesh Garment (and Knitwear) Manufacturers and Exporters Associations, global brands, and global and national trade unions.

This admirable progress needs everyone's support. If we continue to work together and recognise and address areas where improvements are needed, I believe the world could come to see "Made in Bangladesh" as the gold standard for quality products and worker safety and rights.

Earl R Miller is the US Ambassador to Bangladesh.

CROSSWORD BY THOMAS JOSEPH

ACROSS			33 Enjoys Aspen	9 Sis's sib
1 Cash, in slang	34 Wine buy	10 Determined		
7 Diminishes	37 Niger neighbor	16 Skirmish		
11 Dodged	39 Arrive by car	17 Nigeria neighbor		
12 Kingly address	43 On this spot	18 Unaided		
13 Weather-changing current	44 Regal fur	19 Canoe material		
14 Easy gait	45 Print supplies	21 Louvre entrance designer		
15 Arrangement	46 Buster of comedy	22 Deck units		
17 Crib occupant	DOWN	24 Cruller's kin		
20 Moral code	1 Scottish river	25 Taxing org.		
23 Yale rooter	2 Ailing	30 Wears down		
24 Difficult choice	3 Convent resident	33 King march site		
26 Negative link	4 Uplift	35 Difficult trip		
27 Mine matter	5 City on the	36 Collected stories		
28 Spring mo.	Truckee	37 Greek X		
29 Fragrant smoke	6 Sneaker problem	38 Egg tender		
31 Wine choice	7 Ritzy home	40 Ignited		
32 First Indian prime minister	8 Beauty spot, perhaps	41 One, for Juan		
		42 Stock holder		



YESTERDAY'S ANSWERS									
CAPES	ANTES	USUAL	SERVE	BITTERSWEET	EAT	EYE	ENS	SPEND	DOWNY
AREA	VILE	MEDIC	YEMEN	LAYER	AFT	BUS	FOB	BRIDALS	SUITE
BENIN	INDIA	ATSEA	ROOST						

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