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PM’s 31 directives

Easier said than done, but do we must

PRIME Minister Sheikh Hasina has issued a set of very comprehensive directives. But, as we know, with all directives, there are three phases to it—its issuance, its speedy, efficient and systemic implementation and finally, its strict monitoring. As for the directives, they are comprehensive, insightful and highly relevant. Here, our suggestion is that related directives should be grouped into clusters with specific time frames, within which each cluster will have to be implemented. Without any time frames, they will be limited in their effect.

However, implementation of these directives will be very challenging, since many of them require massive organisational capacity and resources. The test will be in putting the huge infrastructure of the government into action, which we know to be cumbersome, full of inertia, and hierarchical to the extent of being dysfunctional. Our world-recognised experience with disaster management should prove to be useful; remembering however, that traditional disaster management involves only a section of our bureaucracy, whereas now we need the totality of it to come into gear.

Directive 9 calls upon city corporations, municipalities and upazila parishads to undertake cleanliness drives. Since there is a general shutdown, we think now is an ideal opportunity to clean our cities—there will never be such a time of sparse traffic and limited garbage. Will the relevant leaders and institutions rise to the occasion?

Directives 16 and 17 say “supply systems should be maintained” and “general activities will continue and prices of essentials will have to be kept under control”. Both are most important and will need efficient planning, execution and monitoring to achieve.

Directive 21 tasks the public representatives and the upazila administration to “distribute food among the distressed people by preparing a ward-based list”. This is a very important directive whose success will greatly depend on the authenticity of the list. Food is what people need most in the beginning and food is where a great amount of corruption takes place. The PM has warned against it, but will this warning be enough? We have already seen several cases of local leaders hoarding rice meant for distribution.

In her final two directives, the PM has asked the media to keep watchful eyes on preventing the spread of rumours. This we are happy to commit to it as it is a part of our professional duty. However, we suggest the setting up of an inter-ministerial monitoring body without which the PM’s directives will not achieve the desired results.

The kids are not alright

We need to keep them engaged

WITH educational institutions closed for the foreseeable future to curb the spread of coronavirus, children are increasingly becoming restless in their homes, cut off from the outside world, their friends, physical activities and instructions from teachers. Across the country, 3.68 crore students are now stuck at home, unable to complete their lesson plans. Many students, especially younger ones, are finding it difficult to focus on their textbooks, and parents, too, are struggling to home school children given that many don’t have the necessary education, expertise or time to keep them engaged throughout the day. Experts believe that prolonged exposure to stress and boredom can have detrimental impacts on the mental health and productivity of students. It is thus imperative that we find mechanisms to engage and encourage students to make use of their free time in productive ways.

Researchers have suggested that parents establish a predictable, consistent routine at home which replicates the school schedule, to give children a sense of stability as well as enable them to structure and utilise their time more effectively. Children should be engaged in domestic chores which, in addition to teaching them practical life skills, will also instill a sense of responsibility. Parents who have access to the internet can make use of free online resources.

The government has introduced TV education through Sangsad Bangladesh Television for students of sixth to tenth grades to help them complete lesson plans, but similar arrangements have not yet been made for primary and secondary school students. Apart from class lessons, BTV should develop and revive entertainment programmes targeted towards children, which can also be educational. The Ministry of Education could work with BTV and private channels to develop and air programmes for children during school hours, replicating successful models developed by digital learning platforms like the Khan Academy. Schools that have the capacity should develop remote learning programmes and/or provide specific instructions to parents and students on completing lesson plans.

The Ministry of Education should coordinate with specialists to come up with a comprehensive plan on how to address the long-term repercussions of the ongoing crisis, as well as on how to reach students who may not have access to TV and digital programming. The ministry should also take a decision as soon as possible about pending exams to ease the uncertainty and anxieties faced by students.

LETTERS TO THE EDITOR

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Combatting coronavirus and dengue

I am hopeful that with all the preparations for mass testing underway, we will now be able to get the actual picture of the situation of coronavirus in our country. However, amidst this crisis, there is another fear that’s lurking—dengue. We have seen last year the horrific situation suffered by so many due to the spread of aedes mosquitoes. Therefore, we must all be extra careful this time not to repeat the mistakes we made earlier. I know these are difficult times, but we must all act right and responsibly for our collective wellbeing. I just hope that we will not be stubborn and wait for the last minute to deal with the situation. Right timing can make all the difference between life and death.

Malik Muntasir Reza, Dhaka

Stimulus for Bangladesh’s export-oriented enterprises

Can this be made more sustainable and equitable?



MIZANUR RAHMAN

ON March 25, 2020, Prime Minister Sheikh Hasina announced, in her address to the nation, that the government would provide an incentive package of Taka 5,000 crore for export-oriented industries. She explicitly mentioned the basic terms of reference, that the fund could only be used to pay the salaries and allowances of workers and staff. An assumption was that as export orders were possibly cancelled or deferred, entrepreneurs would face a mounting liquidity crisis for meeting the payment of wages and other short-term obligations. Industry stakeholders welcomed this scheme. The Prime Minister also announced a series of other incentives and measures for mitigating the economic effects of the novel coronavirus (Covid-19) pandemic. It is true that Covid-19 has disrupted the global apparel value chain. Some global buyers have either cancelled or suspended their export orders. Sourcing raw materials has also proved almost impossible, as China and other major economies are *de facto* closed from the rest of the world. After coronavirus infections began to surface in Bangladesh, the Government of Bangladesh imposed a voluntary lockdown of its citizens, effectively causing every industry to shut down their production.

A government notification came out on March 31, 2020 outlining the basic terms of reference of the incentive package. The regulation stipulates that a budgetary allocation would be given to Bangladesh Bank, which would in turn lend to commercial banks at zero interest rate. The commercial banks would extend the loan facility to exporters at a two percent simple interest rate. A few conditions—like only export-oriented and active industrial units are eligible for these loans and that the money could only be used for payment of salaries and allowances—are further imposed. Repayment terms are also simple, including a six-month grace period, to be followed by an amortisation of the loan over 18 monthly equal installments.

The internal control mechanism of the scheme is also proactive. Lending banks shall review salary sheets of a potential borrower for the three months preceding the outbreak of Covid-19 in March 2020. Banks will directly pay to

the bank accounts of eligible workers or by a mobile cash transfer mechanism. No payment to a worker shall exceed an average gross payout over the last three months. Finally, any manufacturer exporting at least 80 percent of manufactured goods would be eligible under this scheme. It implies that the scheme does not discriminate between direct and deemed exporters.

Overall, the incentive scheme announced by Prime Minister Sheikh Hasina is timely, pragmatic and forward thinking. The actual design of it is

opportunity costs. Note that apparel exporters demanded short-term liquidity, not subsidies. This indicates that the inherent design of the scheme whereby a borrower can borrow free of costs would encourage every exporter to apply for the incentive scheme. This design is flawed and may lead to excess demand for funds. The flawed design may also cause corruption, where exporters who are politically powerful or control bank management will abuse fake salary sheets for getting the maximum amount of loans. This possibility of corruption could be eliminated just by a simple rule—that

leave the Ministry of Finance with this money to help the most disadvantaged or meet more pressing needs in public health.

Finally, any government intervention should be based on the principle of neutrality. What will happen to micro, small and medium enterprises (MSMEs) and/or large ones that are not export-oriented but employ millions of workers? What will happen to the self-employed in the agriculture sector? The government should offer them windows of access to finance in these hard times. As of the latest labour force survey, agriculture



PHOTO: AFP

The government explicitly stated that its Tk 5000 crore stimulus package can only be used to pay wages and staff allowances.

also reasonably well-articulated. It is not a grant and not a pure subsidy to private entrepreneurs. The only subsidy is the borrowing cost from the sale of government securities used to finance the scheme. A few more considerations would make this scheme even more sustainable and equitable.

Firstly, an eligible borrowing firm could be charged at least at the bank rate plus a two percent spread so that the government would not be required to pay the interest amounts. Secondly, every apparel manufacturer might not have a liquidity crisis and would be unwilling to apply for this incentive if the actual borrowing cost was consistent with the

access to liquidity is guaranteed at the bank rate plus a two percent spread. It is noteworthy that the provision of direct payment to the bank account (or bKash account) of a worker will help minimise the risk of corruption in the planned scheme.

Thirdly, this incentive will produce credit risks. Some borrowers will default and be unable to pay back. In its present form, it will be a cost for the lending bank and this is unacceptable. Fourthly, instead of a budgetary allocation via Bangladesh Bank, the financing scheme could be floated by Bangladesh Bank itself under the existing Export Development Fund (EDF) or a similar initiative. That would

alone employs 24.7 million workers. Service industries, including wholesale and retail trade, transportation, construction and others, account for 27.2 million workers. A staggering number of more than 50 million workers are also facing job loss, income loss and the prospect of transient poverty. We expect that the government of Bangladesh will also consider rolling out innovative financial schemes in order to supply liquidity to the self-employed, MSMEs and local industries and help them navigate the Covid-19 crisis.

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Protect human rights during the pandemic

SULTAN MOHAMMED ZAKARIA

IN a situation where the covid-19 virus has overwhelmed some of the world’s best resourced healthcare systems, Bangladesh—like other developing countries—must brace for the worst. Any hopes that the country may somehow avoid the crisis have been dispelled by the confirmation of 70 cases and eight deaths. One report written by Bangladeshi epidemiologists and public health academics estimates that half the country could ultimately be infected, and the final death toll could rise to as high as half a million. As leaders around the world are discovering, their quick and timely response to this crisis is crucial, and given people’s lives and healthcare are at stake, it’s all the more important that human rights are at the centre of the response.

Everyone has the right to “the highest standards of physical and mental health,” as guaranteed by the International Covenant on Economic, Social and Cultural Rights, to which Bangladesh is a state party. The state’s obligations include efforts to prevent, treat and control the effects of the covid-19 pandemic in the country. The WHO has said they have “a simple message for all countries: test, test, test”. However, despite having had time to prepare, testing in Bangladesh is still rare—which risks concealing the true scale of the outbreak. While there was initially only one testing centre in Bangladesh, there are now finally nine Polymerase Chain Reaction (PCR) laboratories in Dhaka and another five outside of the city.

From late January until April 2, around 1,900 people have been tested, which amounts to approximately 11 people per million. There have been reports of many people who said they are showing symptoms and wanted to test but were not allowed to do so. More recently, private donors have donated testing kits and masks to Bangladesh (for example, The Jack Ma Foundation has dispatched 30,000 testing kits and 300,000 masks), which while positive, won’t make up for Bangladesh’s shortfall.

There are similar shortages in personal protective equipment (PPE), increasing the hazards faced by health workers on the frontlines of this crisis. While some of the wealthiest countries are also facing shortages, the situation in Bangladesh is especially dire. Health workers have no choice but to risk their health and lives, and those of their families, to save others. At Sir Salimullah Medical College and Mitford Hospital in Dhaka, medical staff were blithely told to buy their own facemasks. In Sylhet, staff at one hospital went on strike because of the lack of PPE. At least 10 physicians have self-isolated after exhibiting symptoms associated with

access to the refugee settlements. In the camps, sanitation is a constant challenge, health facilities are rare, and emergency facilities can be non-existent. The only way to protect the refugees is to relocate them to areas where social distancing is possible, where water, soap and sanitisers are in adequate supply, and with suitable medical facilities nearby. However, any relocation and redesign of camps must be done after ensuring meaningful participation of those affected.

In recent weeks, Rohingya refugees have been startled by rumours that they could be put to death if they contract the virus. Or they worry they have been

livelihoods are imperilled by the current crisis. Because of their inability to make ends meet during the lockdown and access affordable and timely healthcare, they are at high risk of both infection and starvation—harrowing prospects that neither the government’s public health nor economic response appear prepared for.

Bangladesh has the most crowded prisons anywhere in South Asia. On average, there are more than twice as many prisoners as detention facilities. There is only one doctor for every 10,000 prisoners. The authorities have taken the welcome step of releasing the leader of the opposition for six months, but they are yet to implement measures that several other South Asian states have taken to reduce overcrowding. About 70 percent of the country’s prison population is still awaiting trial (pre-trial detention is meant to be used as a restrictive measure of last resort) and there should be a presumption of release in such cases. They should also consider early or conditional release for those most vulnerable to the infection, including older detainees, or those who have already served a portion of their prison sentence and those who qualify for early parole, if they no longer pose a threat to public safety. Prisoners who remain in detention must also have access to the same standards of health care that are available in the community, including when it comes to testing, prevention and treatment of covid-19.

We don’t know what the true impact of the covid-19 crisis will be. What we do know, however, is that the wealthiest countries are struggling to cope. For Bangladesh, which has neither the economic means nor the public health resources needed, there is even less room for failure. This makes it all the more important that its response protects everyone, including those who are at the greatest risk.

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covid-19. Two teachers, who decried the shortage of PPE in Facebook posts, have been suspended by the government in a further assault on freedom of expression online. It eventually fell to the High Court to order the government to acquire and provide PPE.

Bangladesh is one of the world’s most densely populated countries, and that density is most evident in refugee camps, urban slums and prisons. The people living in these places are at higher risk given the highly transmissible nature of the virus, coupled with lack of adequate facilities such as sufficient water and sanitation. Last week, Cox’s Bazar reported its first case, raising fears for over a million Rohingyas who languish in flimsy tents tightly squeezed together

stigmatised as carriers of it. In this crisis, the authorities have a responsibility to provide accessible, accurate, evidence-based information that counters this sinister misinformation campaign. Instead, a telecommunications blackout still hangs over the area.

There are an estimated two million people living in 14,000 slums across Bangladesh who have similar reasons to be fearful. According to one study, more than 40 percent of slum dwellers have no choice but to use unhygienic and unsafe toilets. Many also lack access to sufficient and safe water that is essential for protection against covid-19. The informal settlements are home to many low-wage garment workers, street vendors and rickshaw-pullers on daily wages whose