

Rohingyas can't be left to starve at sea Countries must abide by international law

On April 16, 396 Rohingya were rescued by Bangladesh Coast Guard after two months of drifting at sea. According to UNHCR, 32 people lost their lives during the harrowing journey, and the surviving passengers are severely dehydrated and malnourished as they ran out of food and water. The trawler, which reportedly set sail from Cox's Bazar for Malaysia, was turned away by the Malaysian authorities and after several failed attempts to land, it made its way back towards Bangladesh.

It is truly unfortunate that local and regional authorities have been able to do little to dismantle the human trafficking network that runs from Myanmar and Bangladesh to Thailand and Malaysia, exploiting refugees' helplessness to trap them into a life that is often as precarious—if not more—as the one they are trying to leave behind.

It is imperative to stop any illegal movement out of the country at this time, and the Rohingya community must be warned of the near death sentence that awaits trafficking victims, with borders being closed and countries like Malaysia proving, time and again, that they have no qualms about pushing sick and starving Rohingyas out to sea.

In fact, Malaysian authorities have turned away a second boat carrying about 200 Rohingya refugees, including children, on April 17, being fully aware of the ruthless consequences of such a decision. These "pushback" actions and policies violate the principal of non-refoulement, which states that no one should be returned to a country where they would face torture, cruel, inhuman or degrading treatment or punishment and other irreparable harm. It is a part of customary international law and binding on all states.

We urge the Malaysian authorities to uphold their commitments under international law and provide at least temporary shelter to refugees in these dangerous times. We also call upon UN authorities to engage with member states to deploy search and rescue missions for starving Rohingyas still adrift at sea.

We appreciate that Bangladesh has rescued these refugees and set up transit camps for them, and hope that other countries will follow suit.

A farmer assaulted for seeking help!

We hope such incident will not be repeated

We are shocked at the incident that took place in Natore's Lalpur upazila recently where a Union Parishad chairman assaulted a farmer for calling the national hotline number for getting relief. Reportedly, the farmer of Angarpura village was going through a hard time as he couldn't earn a living during the countrywide shutdown and called 333 hoping for some help. This apparently angered the UP chairman who called him to the union parishad office, took him to a room and beat him up. It makes absolutely no sense as to why a UP chairman would attack a poor man for asking for relief when the government has given directives to all the local government bodies to help the vulnerable people across the country during this time of a national crisis.

Providing rice at Tk 10 per kg and launching a national hotline, 333, for providing humanitarian and food assistance to the needy are two important measures taken by the government during this countrywide shutdown due to the Covid-19 outbreak. However, every day we are coming across reports of misappropriation of relief rice by public officials and ruling party men. And then this incident of a farmer being assaulted by a UP chairman. We hope that this is just an isolated incident and will not be repeated in future.

Since police have already arrested the UP chairman in question, we now hope that he will be punished according to our law. The arrest of this man should serve as an example to others that such behaviour by public representatives will not be tolerated by the government. We hope our public officials understand how important it is for them to be receptive, sensitive, and do whatever they can to help people in the time of this grave national crisis.

LETTERS TO THE EDITOR

letters@thedailystar.net

Great initiative by the youth

While browsing *The Daily Star*'s website, I recently came across a report of a social organisation led by the youth, that had the ingenuity to set up a mini booth-like structure, set up with laser sensor that activates when it detects movement and sprays disinfectant on the person walking through it. The installation can remain operational with a two-hour battery backup and is fitted with two sprayers along with a 20-litre tank which has the capacity to disinfect about 120 people.

Even though it is a pilot project and has been introduced in one area of the capital, I highly appreciate the initiative of the youth to come forward with such a timely innovation during the ongoing crisis. I would urge NGOs and if possible, government bodies to look into the possibility of helping the youth organisation to mass produce the device. That way, if every neighbourhood has a few installed, it would help disinfect the people of that neighbourhood, thereby reducing the chances of the infection spreading.

Seema Tahmina, Dhaka



MACRO MIRROR

FAHMIDA KHUTUN

BANGLADESH has been under lockdown since March 25, 2020 to control the spread of coronavirus. Though officially it has been termed as holidays, in essence it is lockdown. All offices and businesses are closed. Except for emergency services such as buying food and medicines people are not allowed to step out of their houses. Due to the fear of rapid increase in COVID-19 cases in a densely populated country with inadequate medical facilities, this has been the right decision by the government. The other COVID-19 affected countries have emphasised social distancing as the only way to check the fatality of COVID-19. Bangladesh followed suit.

After over 21 days, as the lockdown has put lives in a standstill, the economy has also felt the pressure in various forms. Disruption in supply chain has compelled farmers to either throw their products on the streets or sell those at a throw away price. Like most years, harvest has been good this year too. But before the farmers could cash in their harvest the pandemic hit them hard.

On the demand side, these three weeks have totally stopped sources of income of daily wage earners, even monthly salaried ones in many sectors. As about 85 percent of total employment is in the informal sector, these people are now without an income. With meagre income they do not have any savings too to survive during crisis period. The list is long. Agricultural workers, construction workers, rickshaw- and van-pullers, three-wheeler and taxi drivers, other transport workers, small shopkeepers, street vendors, barbers, workers in beauty parlours, garbage pickers, domestic help, brick kiln workers, workers in small workshops, roadside eatery workers, hotel and restaurant workers, drivers working for individuals, loaders of goods, woodcutters, delivery workers of e-commerce and many more in the informal sector are penniless right now. Then there are people who have no profession, such as beggars, street children, disabled people, poor women abandoned by their husbands, widows and people from the transgender community.

So, these poor people have become more vulnerable during the lockdown period. For them lockdown may be protecting them from being affected by COVID-19, but they are now affected by poverty and hunger. Lockdown was successful in China and some other countries, because the state could maintain the flow of supplies as well as ensure food security to the low-income people.

This situation has now led many to think along the line of choosing between saving lives and ensuring livelihoods. Of course, addressing the health risks comes first. But as the period of lockdown progresses in Bangladesh, we find significant damage being done to the economy and livelihoods of millions of people. It is feared that many lives could be lost due to hunger. Therefore, the existential dilemma needs to be addressed by providing generous economic relief package to the poor. This is the imperative of time.

What should be the modality of support?

COVID-19 has already pushed Bangladesh's poverty rate to almost 40 percent from 20 percent before the COVID-19 outbreak. So, if we want to keep these people alive there is no other way but to provide large amount of government support. They should indeed



After over 21 days, as the lockdown has put lives in a standstill, the economy has also felt the pressure in various forms.

PHOTO: SK ENAMUL HAQ

be provided with direct cash support for a few reasons. First, it will give them the freedom to spend on their needs. Second, the management of procurement and distribution of commodities by the local government machinery might become an unmanageable task. Third, the scope of corruption is less in case of direct cash transfer through mobile banking, whereas it is easier in case of rice and other commodities. Fourth, direct cash transfer will not require people to gather and line up with the risk of COVID-19. Fifth, cash support has the potential to create multiplier effect on the economy and help boost the aggregate demand which is much needed at this point in time.

The cash transfer should be at least for three months. It is good to know that the local administration is already preparing lists of people who need support. In case of the existing social safety net

programmes, there are inclusion and exclusion errors. That is, those who do not need support, they are on the list and those who need support are not on the list. Moreover, there is no such list for the urban poor. So, the selection of the recipients of support for COVID-19 affected people must be inclusive and comprehensive.

The use of technology can play an important role here. The proposed programme should build a mechanism where the vulnerable people can apply themselves for inclusion. A few hotline numbers should be allotted so that excluded citizens can call and apply for inclusion in the support programme. This updated list of the needy population should be posted online in the relevant websites of the government, such as the Ministry of Finance, and the Ministry of Disaster Management and Relief for transparency.

domestic demand. In order to create liquidity in the economy, the central bank has also initiated expansionary monetary measures through lowering policy rates substantially.

As the government has limited fiscal space, it should reduce the pressure of public expenditure to the extent it does not affect employment. Projects which can wait for a few months or which have just been initiated recently may be halted for the time being. Recapitalisation of the loss-making state-owned banks should be stopped. Existing subsidies to various sectors should be revisited. Savings from lower oil prices in the global market can also be a source of fund during COVID-19 crisis.

Resources from the private sector is also essential during such crisis. While we see billionaires and millionaires of the world have pledged huge amount of money from their own pockets, we do not see such examples in our country. Of course, many in the private sector have been doing a lot. Many are probably supporting quietly. But expectation from them is much more. What we see even in our neighbouring country India in terms of philanthropic activities of the rich, we do not see that much in Bangladesh where the number of ultra-rich is growing at a faster rate than South Asian countries and even China.

International sources should be explored actively. International and bilateral organisations have come up with various packages and support measures and there is a large demand from member countries. Bangladesh should ask for support on flexible terms.

Some have suggested for printing money and spend. This may be an option to boost demand. However, if economic activities are not geared up and employment is not generated, then printing money does not help. It rather creates stagflation. That is, there will be high inflation and people may go to the market with a bag full of money but return with very few products. Because, there is also supply shock and the economy is stagnant.

This is of course a tricky situation for policymakers, because in order to create employment they have to increase public expenditure. Therefore, there needs to be a fine balance in making a choice. And we should not also forget, once stagflation begins it takes a long time to get over it as the history of many major economies including that of the United Kingdom teaches us.

Lastly, NGOs and individuals have also come forward to combat the current COVID-19-induced economic crisis. Their effort should continue to strengthen the hands of the government no matter how little their contribution is. A crisis of this magnitude requires collaboration of all stakeholders.

Dr Fahmida Khutun is the Executive Director at the Centre for Policy Dialogue.

The corona-clenched economy: Changes and policies



OPEN SKY

BIRU PAKSHA PAUL

ALAN Greenspan, who led the US Federal Reserve for two decades, was summoned in congress and testified that the financial crisis of 2008-2009 was an economic tsunami which

could happen once in a century. Who would know that another tsunami was lurking in covid-19 just 10 years down the road? Who would know that a contagious disease, which is typically destined to torment the fate of tropical countries, will shudder the foundation of the mightiest economy by slapping the highest number of death tolls on its fortune? Despite its dangers, it is the time to rethink about policies and drastic changes.

Bangladesh can embark on some drastic initiatives which are long overdue. The typical budget year from July to June is now useless. Who will listen to the budget? Let the new budget year be merged with the calendar year starting from 2021—the year of the golden jubilee of Bangladesh's birth. The ministry of finance will face the toughest time in the next six months or more, though it will take years to fill up the fiscal holes. Many safety net approvals must be swallowed on emergency grounds by the prime minister's discretion. Any calculations for growth numbers or other figures will go wrong. It may be farcical!

Let the budget be running for the rest of 2020 on need-based allocations. The government should start making calendar-year based budgets from January. Many economists argued for year-based budgets in the past. The ex-finance minister once indicated a possibility of its acceptance because the year-based budgeting is simpler and productive. The quarter of July-September is practically the worst period for the country to mark the beginning of project implementation.

The last two months of the budget year, May and June, are again problematic for high heat and storms. In contrast, moving to the calendar year will definitely give two excellent periods of the year at two ends, enabling the government to avail a good start and a good finish needed for productivity and better implementation.

This is the time to rethink about our fiscal corrections. Despite respectable growth, Bangladesh has long been marked as a country of the weakest fiscal capacity in the region. Many countries formed separate ministries for collecting taxes. Our revenue collection under the leadership of a bureaucrat is a blunder we have been making for long under a colonial mindset. A political leadership, which will be accountable to the parliament, at this, one of the most vital public offices, is indispensable. If we can form ministries for such sectors which give less than 2 percent of GDP, why can't we form a ministry for revenue which is 12 percent of GDP—and has the potential to turn into 20 percent of GDP? We should, the sooner the better.

The ex-finance minister in an interview in January unmasked the hollowness of the national board of revenue (NBR) and didn't hesitate to express NBR's untrue statements of revenue collection—which were hyped-up figures. It's a shame! Sometimes, the NBR boss is under tremendous pressure to make up numbers, suggesting that a public representative is essential here to run the lifeline office of the economy. And revenue collection will be the toughest task for the government in the post-corona phase too, when banking will further be floundering in default pandemics. After forming a new ministry of revenue, the ministry of finance will be able to concentrate on sound budgeting by coordinating with the ministries of revenue and planning.

Milton Friedman, after 30 years of the great depression, came up with his theory of monetarism and argued about the effectiveness of monetary policy in

recessions. But Keynesian economics proved to be more practical. It asserts that fiscal policies are more powerful than monetary policies during economic disasters. America picked up the Keynesian side during the great recession of 2007-2010. At some point, President Nixon jocularly branded all of us as Keynesians. And this is more so now!

The US stock market cascaded down even further in the dip, contradicting the Fed's rapid monetary loosening that brought the policy rate close to zero. Monetary policy turned toothless.

The ex-finance minister in an interview in January unmasked the hollowness of the national board of revenue (NBR) and didn't hesitate to express NBR's untrue statements of revenue collection—which were hyped-up figures.

In contrast, the market rallied up when President Trump announced the largest fiscal package in history—exceeding USD 2 trillion dollars in a USD 21 trillion economy. Good that Bangladesh is also going for direct fiscal actions although they will balloon up fiscal deficits further. The direct payments to the poor and the vulnerable by using both the bureaucratic and political machinery will be imperative. Nobel Laureate Abhijit Banerjee recently advised the Indian government to print money and to hand them out to the poor. No government will be that desperate because inflation

is a potential snake, but the intent of Banerjee's argument is to connect directly to the needy—a task which the monetary authority or banks can't do without satisfying procedural requirements.

Still Bangladesh's central bank has a lot to do particularly to save its balance of payments—the most challenging frontier and more important than domestic credit expansion. India faced its worst financial crisis in the early 1990s when it ran out of its foreign reserves and encountered the toughest blow from its current account balance. Our exports are doomed to plummet. Americans now think about life and death. They have no time or urge to buy garments—no time to be fashionable.

Remittances have already gone down and they will be in the decline frenziedly. Bangladesh Bank (BB) now should further liberalise the inflows of capital and remittances. As an irregular remitter, I face so many rules, regulations, obstacles, and sometimes paperwork on top of a poor nonmarket exchange rate. These are enough to explain why migrants resort to *hundi* or informal channels. BB has to abandon the tangling foreign exchange rules which are the brainchild of the 1956-model advisers. Two percent incentive on remittances still has strings attached to it. Make them free and let the market determine the exchange rate. Of course, BB deserves credit for allowing USD 10,000 cash for travellers. Even that ceiling should be lifted for inflows up. Loans to small and medium enterprises, farmers, and petty businesses should be interest free. And so should be student loans for at least a year.

Once in October 2008, the Fed Chair Ben Bernanke warned President Obama, "Act now, or there will be no economy on Monday." The time now is worse than that. We believe the Bangladesh government will work relentlessly to protect the helpless and at least minimise the damages looming on the horizon.

Biru Paksha Paul is professor of economics at the State University of New York at Cortland. Email: birupakshapaul@gmail.com

EDITORIAL

No choice between lives and livelihoods

domestic demand. In order to create liquidity in the economy, the central bank has also initiated expansionary monetary measures through lowering policy rates substantially.

As the government has limited fiscal space, it should reduce the pressure of public expenditure to the extent it does not affect employment. Projects which can wait for a few months or which have just been initiated recently may be halted for the time being. Recapitalisation of the loss-making state-owned banks should be stopped. Existing subsidies to various sectors should be revisited. Savings from lower oil prices in the global market can also be a source of fund during COVID-19 crisis.

Resources from the private sector is also essential during such crisis. While we see billionaires and millionaires of the world have pledged huge amount of money from their own pockets, we do not see such examples in our country. Of course, many in the private sector have been doing a lot. Many are probably supporting quietly. But expectation from them is much more. What we see even in our neighbouring country India in terms of philanthropic activities of the rich, we do not see that much in Bangladesh where the number of ultra-rich is growing at a faster rate than South Asian countries and even China.

International sources should be explored actively. International and bilateral organisations have come up with various packages and support measures and there is a large demand from member countries. Bangladesh should ask for support on flexible terms.

Some have suggested for printing money and spend. This may be an option to boost demand. However, if economic activities are not geared up and employment is not generated, then printing money does not help. It rather creates stagflation. That is, there will be high inflation and people may go to the market with a bag full of money but return with very few products. Because, there is also supply shock and the economy is stagnant.

This is of course a tricky situation for policymakers, because in order to create employment they have to increase public expenditure. Therefore, there needs to be a fine balance in making a choice. And we should not also forget, once stagflation begins it takes a long time to get over it as the history of many major economies including that of the United Kingdom teaches us.

Lastly, NGOs and individuals have also come forward to combat the current COVID-19-induced economic crisis. Their effort should continue to strengthen the hands of the government no matter how little their contribution is. A crisis of this magnitude requires collaboration of all stakeholders.

Dr Fahmida Khutun is the Executive Director at the Centre for Policy Dialogue.