

## Flood victims now confront outbreak of diseases

*Why is there such a severe shortage of medical supplies and facilities?*

HERE seems to be no end in sight for people in the flood-hit northern and northeastern region of the country. Over 55 lakh people in 162 upazilas of 53 districts have been hit hard by the flood this year amidst the Covid-19 pandemic raging through the country, according to the National Disaster Response Coordination Centre (NDRCC). Now that the floodwater is receding in these regions, communities have to confront yet another challenge—a mass breakout of different waterborne diseases.

In most of the regions, flood victims were forced to drink floodwater without purification, which has led to diarrhoea, dysentery, vomiting, headache and other waterborne diseases among its populations. They are also suffering from various skin diseases, which is being compounded by waterlogging in many of these areas as entire communities have no choice but to wade through and live amidst dirty and stagnant water in their homes and compounds. According to reports from our correspondent in different districts, there is a severe shortage of medical facilities and supplies to address the increasing number of patients.

The authorities claim that they have formed medical teams to help communities, but it is apparent from the testimonies of flood victims that such help is woefully inadequate. Have districts been left to tackle this emerging health crisis in an *ad hoc* manner, or is there a comprehensive plan on how to provide support to flood-hit regions? We urge the different ministries to coordinate with each other, as well as with non-government initiatives, to provide systematic assistance on an urgent basis, allocating the necessary resources to each district and upazila. The people in the regions have suffered enough and are still facing great uncertainty—it is the responsibility of the state to ensure their well-being and rehabilitation to the best of its ability.

## Decisions on exams must be realistic

*Students must not suffer more than they already have*

WITH over four months of schools being closed, the looming uncertainty regarding public exams is weighing down on students and their families. The authorities are still yet to make a final decision when these exams can be held. The challenge in front of the authorities is whether to cut short syllabuses and reduce exam schedules or lengthen the academic year. Any decision will have long term implications on the future of these students, and therefore, have to be made based on a well thought out strategy.

More than one million students are expected to take this year's HSC and its equivalent exams, while around three million are supposed to take the PEC and two million, the JSC exams. Another two million are scheduled to take the SSC and equivalent exams.

It is disappointing that the education board has not been able to formulate a definitive plan regarding such important exams. The statement that it was planning to hold the HSC and equivalent exams 15 days after a return to normalcy is far too vague and not very reassuring for students or their guardians. The board has said it is thinking of holding the HSC within a month, instead of the usual one and half months, while keeping the syllabus the same. Are they taking into account the problems that the students will face, through no fault of their own, in being adequately prepared for these exams after such a long gap in classes? Many students also rely heavily on extra tutoring, which they could not avail due to the Covid-19 situation. How will they fare if exams are suddenly announced?

In addition to all this, the education board must also be sensitive to the mental stress these children are going through and try to alleviate their anxieties regarding the board exams. It is important for the education ministry and its bodies to take the advice of education experts who have been voicing their concerns and offering recommendations regarding how to address the education gap created by the crisis. The Bangladesh Examination Development Unit has sent a set of proposals to the Dhaka education board, which includes cutting the syllabus and holding exams on 50 marks with MCQ questions if schools do not reopen by October.

Unfortunately, it is very difficult to tell when schools can be re-opened or exams can be organised as there continues to be a high rate of Covid-19 infections, especially in the cities.

While there is little the education authorities can do about the unpredictability of the virus, what they can do is be ready with a reasonable, practical plan regarding public examinations. We hope the education board will take decisions regarding these exams keeping in mind the mental stress students have gone through during this period, and the stress they are still experiencing, as their future hangs in the balance. Innovative approaches with expert advice are required to face the challenges of the lapse in education. Exams have to be designed and held with the realities of the consequences of the pandemic in mind.

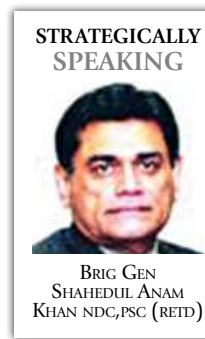
## LETTERS TO THE EDITOR

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### Pitfalls of online education

Direct education has temporarily paused due to Covid-19, and has been replaced by online classes, to attend which, students must have the right technology. In a country where underprivileged families can hardly afford food for their children, where will they get such expensive devices? The government must ensure that these families have the necessary access required. However, we must also guard against children from all backgrounds getting addicted to their devices. This can become a huge health hazard, if measures are not taken to overcome these obstacles and give our children a proper environment for a bright future.

Tinnee, by email



BRIG GEN SHAHEDUL ANAM KHAN NDC, PSC (RETD)

IT is not often that one hears the putative lone superpower ruefully ventilating its frustrations in public. That is exactly the impression that one gets from the statement of the US Foreign Secretary, echoing Nixon's apprehensions

and urging the world to stand up to the "Frankenstein," referring to China, or more exactly, to the Chinese Communist Party. By comparing China with the sapient monster created by the young scientist, he would have the world believe that China has broken free of the fetters of those that helped it grow to the level that it has now reached, and has gained the clout to turn against its "progenitors" by dictating its own terms and ordering the course of the future world order, a situation that some refer to as the post-Covid world order. Pompeo's frustration is understandable, and the outburst and the kind of language not heard of in recent times, reflect US despondency. He does not mince words when he accuses China of biting "the international hands that were feeding it."

In Pompeo's outburst is an indirect acknowledgement that China's enlarged economic and geopolitical footprint is posing a threat to the US, a country which, since the end of the Cold War, has faced little challenge to its position.

It also reflects the psychological state of a power that has been completely battered at home by a most destructive virus that has affected the greater part of humanity, and with which it is still grappling. Pundits had predicted that the virus would, at the end of the day, affect all, big and small, equally. What was important was to watch which among these countries would emerge less battered. It seems that the Pompeo "Frankenstein" has emerged the better of the two.

But to the main point regarding China's aspirations to achieve the status of a leading world power; China, the US thinks, is posing as a pretender, claiming the sceptre and the orb of global power.

It is true that China's rise is owed to a large extent to the US and their mutual relationship since the seventies, and also because for the last two decades particularly, China has been the most attractive and largest destination of foreign direct investment (FDI). For example, from a mere five billion dollars FDI in the early nineties, China became the largest recipient of FDI nearing the end of the decade, accounting for 38 percent of total FDI i.e. about 38 billion dollars.

The fact is China has become the world's largest economy on a purchasing

power parity basis (achieved in 2014), and a huge foreign exchange reserve. This has been helped by a sustained 10 percent average annual GDP growth through 2018. China was described by the World Bank as "the fastest sustained expansion by a major economy in history." The US happens to be China's biggest export market and the third largest importer of US goods, which runs up a huge trade deficit with China every year. China, too, helps fund the US federal debt, it being the largest foreign holder of US Treasury securities.

its effort to wean China away from its current state system, partnered with it on the pious hope that China would adapt western values and integrate fully with the international economic order. That was highly optimistic, as apparent from its more assertive postures in regional and bilateral issues in recent times, and the spread in the ambit of China's economic and political influence; the opportunities of it further expanding its influence, experts aver, have been opened up by the Covid-19 pandemic.

to the East, and it will continue despite Covid-19. Clearly, the US is unwilling to accept any challenge to its authority as the sole global power dictating world order as suits its own "enlightened" self interest. The quicker the US realises that China's rise is a reality and its claim to the top position is inevitable, and adapt to the changed realities, the better it is. It will be well for the US to also realise that the days of its right to tell the rest of the world what is best for them, and what to do, are over.

Although China has a long way to go to catch up with the US as an economic



PHOTO: AFP

However, since 1979, when its economy was opened up under Deng Xiaoping, with the slogan of "capitalism with Chinese characteristics", the economic modernisation has been influenced more by Chinese characteristics than the precepts of capitalism. However, at the individual level, the common Chinese believe that the shortest way to capitalism is through communism, and I make so bold as to also suggest that the Chinese leadership also believe in it without admitting as much.

And that is what had come as a dampener to the West, which had hoped that helping China to modernise would push China to join their bandwagon. But the West's expectations about China not falling in line with it were gross miscalculations. Martin Jacques, in his famous book *When China Rules The World*, where he makes some bold predictions which many policymakers in the US find "disturbing", exposes two misperceptions of the West about China. The West, in

And China did not collapse either, belying another western miscalculation which assumed that, in spite of the economic growth, China like the Soviet Union would implode from within unless China's economic modernisation was accompanied by political transformation fashioned on the western model. But instead, China's military modernisation has run in tandem with its economic modernisation. That is the inevitable consequence of gaining economic strength which manifests in both expressed and demonstrated aspirations and more aggressive policy and actions not only regionally, but also well beyond its borders and to other continents. That is what has prompted Pompeo to also express US' fear of China's military becoming "stronger and more menacing" and call for an "alliance of democracies."

Obviously, the US has either not seen the writing on the wall or is not willing to acknowledge it. There has been a shifting of the balance of power from the West

powerhouse, the momentum China had gained in the geopolitical realm to claim its position in global diplomacy through its Belt and Road Initiative (BRI) strategy, may be somewhat blunted by the economic impact of Covid-19. But that will not detract it from pursuing its aim of becoming an important stakeholder in international diplomacy. What the world wants to see is whether China plays its role with responsibility. But, as Singaporean academic and former diplomat Kishore Mahbubani had suggested, how China behaves as world number one would very much depend on how the US behaves as world number one. That was in 2014, and since then, it would not be wrong to suggest, China's geo-economic policies and actions have been cast in the policies and actions adopted by the US. That is another reality that the US and the West must absorb.

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## Savers in action, investors in expectation



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SOME days ago, I met a businessman who was contemplating making some fixed deposits. Every time he heard what the existing interest rate was, he became perplexed. He explained in a subdued voice that he helps his village orphanage with the fund and could not compromise with the rate of profit.

It is apparent that the savers of Bangladesh prefer a high rate of interest and they plan to do many things with the profit from their savings. NGOs or cooperatives eye a higher return on their regulatory savings. People today long for a high return on even their insurance schemes, which promise to cover medical expenses during illness.

Banks of Bangladesh have been living under a much-awaited pegged interest rate regime for around four months. Though only the lending rate has been fixed (at nine percent) by the regulator, the deposit rate quite understandably witnessed a sharp decline as a consequence. The best rate of deposit quoted by most banks now hovers at around six percent. As such, if you peep through a bank nowadays, you can't miss the long queue of gloomy savers. The news media is also abuzz with the tales of savers' woes regarding the discovery that after inflation, nothing is left for the savers.

We save so we have something to fall back on during a rainy day. We can easily save in the personal vault of our houses. Still, we choose a bank where we opt for security and insulation from inflation. However, if we think to maximise the return from our savings and hope to achieve many things other than protection during a period of hardship, we convert ourselves into investors. In that case, we must also agree to spend our time and energy while bearing a calculated risk.

However, what are our savers doing? They are savers in action and investors in expectation. You will find this genre of savers everywhere in our country. They look for a safe haven for their fund, staying away from risk while desiring the maximum return.

A real example from my personal

experience might be worth sharing here. A man took a loan at 13 percent to renovate his house. Unfortunately, the borrower was not doing the job for which the loan was taken and it was discovered that the man deposited the borrowed money into a so-called golden goose company which promised a return at 20 percent. However, the fraud company vanished shortly, and the ever-growing debt forced the man to sell the house.

The double benefit or triple benefit scheme is the mostly admired product for savers of rural areas. Foreign remittance rains on these schemes. When banks fail to match the demand matrix for the quickest double or triple benefit, the migrant families move to the newly grown cooperatives or multi-level marketing (MLM) companies only to lose money in the end.

In the book *Financially Stupid People Are Everywhere* written by Jason Kelly, we

Banerjee found that people build their houses part by part over many years while the houses remain unfinished without providing any return. Poor people were also found buying fertilisers in advance for use in the crop season. These were the saving behaviours on the part of those people who knew that the money would otherwise be spent.

However, this learning of savings won't act upon the ever burgeoning "lazy and opportunistic investors". The government needed to recede from their decision from slashing the rate of Post Office Savings to almost half from existing rates last February. In 2017, our savings-GDP ratio was 31 percent against an investment-GDP ratio of 29 percent. This created a savings glut, which increases the country's future debt burden.

In fact, a group of new investors have been created in the name of savers who flock to the lure of savings certificates and



PHOTO: COLLECTED

find that the first rule of finance is that one needs to consume only 80 percent of their disposable income (i.e., income less taxes). Many people of the developed world save according to this rule. They remain glad as long as their savings fight inflation. The significant rise of deposits in the US to 7.5 percent in 2008 from 2.5 percent in the pre-crisis period, despite zero or negative rate returns, was not a surprise, since people wanted to cushion themselves against the uncertainty. And here reveals the true nature of savings.

In a study, Nobel prize winner Abhijit

earn a huge amount of money without any effort. The stimulus packages of Covid-19 is likely to go to the lazy hands of these investors. Our government has also issued a set of reform policies for revitalising the capital market. Still, our savers don't crowd there to invest. The risk-free rate of 9 to 11 percent on savings certificates is preferred to the risky capital market rate of 11 percent or more.

The "savers in action but investors in expectation" syndrome is failing the single digit interest rate therapy of the government. Due to the profit

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maximisation orientation of the savers, many banks are still providing seven percent or more on fixed deposits. These banks might save themselves from the present storm, but might sink soon along with its savers.

In 2017, the exchequer received Tk 500 billion from the sale of savings certificates, exceeding the target of Tk 200 billion. If this trend of curtailing the bank's pie continues, the very objective of the functioning of banks ceases to exist. If the government rather makes the bank the centre of the savings, financial normalcy will resume through the most productive use of money. The government might consider helping the poor or distressed class by direct transfers, closing the chapter of savings certificates altogether.

Savers look best around savings account of banks, while investors around capital market. Savers' safety can be best protected by banks while the adventurous spirit of investors is best utilised in the capital market. Needless to say, we need both savers and investors for our country. However, taking both forms in one figure, i.e., being a saver in action but an investor in expectation, sounds like a monster threatening to swallow the rather young but fertile financial periphery of our country.

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