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LATE S. M. ALI

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Our take on the Al Jazeera Report

When can we do similar ones?

EARLY yesterday, the Qatar based media organisation Al Jazeera published a story titled "All the Prime Minister's Men", to which our foreign ministry issued a quick response calling it a politically motivated "smear" campaign which is "false" and "defamatory" and instigated by extremists and their allies. The response zeroes in on two specifics, one that there is no shred of evidence linking the "prime minister and other institutions" and that the report's historical account "fails to even mention the horrific genocide of 1971".

We think it was a mature decision by the government not to disrupt or block in any way, the broadcasting of the Al Jazeera story or its spread on social media. Such actions are usually counterproductive and triggers more audience reactions. This departure from the usual knee-jerk response to such foreign media coverage is welcome. However, a similar maturity was not shown in formulating the response which questions the motive of the report, speculates as to their possible instigators and sponsors, criticises and questions Al Jazeera's aim in carrying such a report but does not address the points raised in it, which is what the public would really like to know.

We are facing the absurd situation of publishing the government response without publishing what the government is responding to. So far, we have neither carried what the Al Jazeera reported nor any synopsis of it. Even as we write this editorial, we do not mention any of the allegations raised, the persons named, the copies of documents exhibited, footage shown of two convicted but absconding criminals partying in Dhaka with very high-level people, and do not report what several people interviewed on record and under cover said.

However, we feel that allegations made in the report should not be ignored nor swept under the carpet. There are people who served the PM at various times, especially during her days of struggle, who are now taking full advantage of her sense of gratitude and indulging in influence-peddling for payment in some of our highly sensitive areas. There is reference to our purchase of sensitive listening devices from Israel, a country that we do not recognise. There are also the issues of false passports, NID cards and bank documents that should be looked into, especially as they involve institutions on whose integrity and honesty our security depends. There are also issues concerning our security and law enforcement bodies and their leadership that the government can ignore only at its peril.

Readers are fully entitled to ask why there is such an absence of similar reporting in the local media. While admitting to our own limitations, it is really the reflection of the environment in which we operate exemplified by the existence of the Digital Security Act (DSA), among others, which is perhaps among the most comprehensively restrictive and oppressive laws against the free press anywhere. It will not be lost on any reader that we did not mention above any names or any institutions. If one looks at the flood of totally groundless and unsubstantiated defamatory cases under the DSA against journalists and newspapers, and the promptness with which such cases were accepted and the accused sent to jail and refused bail for weeks if not months, the answer will be obvious—and we are not even mentioning the intimidation, threats and restrictions of advertisements and other tactics that are used. But even then, we must struggle on and, that's what we do.

HC order on filling up of Chengti Khal

Is the administration sleeping?

WITH the administration's apparent indifference, in many cases, to the wellbeing of the environment and natural resources, it is not surprising that individual citizens and the courts are having to step in to do their job. The High Court yesterday issued an order of status quo regarding the land filling of Chengti Khal in the Maona area in Gazipur for a month, in response to a writ petition. The HC also ordered the deputy commissioner of Gazipur and assistant commissioner of land of Sreepur upazila to conduct a survey on the canal and submit the report to this court in 30 days. We thank the High Court as well as Human Rights and Peace for Bangladesh (HRPB) for intervening once again, this time to stop the illegal filling up of a water body. Water bodies are gradually becoming extinct in many places in Bangladesh, filling up of which would mean depriving the locals of accessible sources of water.

The matter highlights once again the exploitation of one's political position and power for personal gains that are detrimental to public interest. The said Khal, located near Maona in Gazipur, was being filled up by a local influential UP member, despite the consequential damage to the surrounding environment. This is a gross violation of the rules of law that prohibit such activities. When guardians become the predators, who should the state and the people put their faith in? UP members are also the guardians of state property within their respective jurisdictions and responsible for their preservation and upkeep. This also speaks of the gross negligence of the chairman of the upazila and his complicity in the illegal act.

Damaging the environment is a punishable offence and we believe that apart from the injunction, which hopefully will become a permanent order, the persons responsible for the illegal act should also be held to account and penalised accordingly.

LETTERS TO THE EDITOR

letters@thedailystar.net

Improve soil health

Excessive use of fertiliser in agricultural production has been ruining the fertility of the soil in Bangladesh. We have very limited agricultural land which needs to be kept fertile to feed our huge population. Farmers need to be encouraged to use organic fertilisers more, since overuse of chemical fertilisers ruin the soil's health. The issue should get due attention of the authorities concerned.

Shafkat Rahman
BIAM Model School and College, Bailey Road, Dhaka

Strategies to tackle pandemic induced poverty in Bangladesh

SELIM RAIHAN

THE Covid-19 pandemic has resulted in an unprecedented rise in poverty in Bangladesh in a very short time span. The South Asian Network on Economic Modeling's (SANEM) household survey in November-December 2020 indicates that the poverty rate in Bangladesh increased from 20 percent in 2019 to 42 percent by the end of 2020. There is no denying that the decade-long success in poverty reduction in Bangladesh is under threat.

There are a few reasons behind the sudden and unprecedented rise in poverty in Bangladesh. First, the lockdown during March-May 2020 and the disruption of economic activities since the onset of Covid-19 resulted in unmatched havoc in the economy. This havoc created a large labour market disruption as many people either lost their jobs or earned less. Although the lockdown has been discontinued since June 2020, economic activities are yet to return to normalcy. Two rounds of SANEM's business confidence survey of firms from major economic sectors in Bangladesh in July and October 2020 showed that the majority of the firms held the view of a slow economic recovery.

Second, Covid-19 also registered distressing effects on export-oriented sectors. In 2020, the dominant export sector, the readymade garments (RMG) industry, saw an unprecedented fall in export earnings by 17 percent. Recent surveys suggest that a large number of workers in the RMG sector also lost their jobs. Most other export sectors have also been negatively affected.

Third, despite that the official remittance inflow surged in 2020, SANEM's household survey showed that more than 80 percent of remittance-recipient households reported receiving less remittance during this period. This phenomenon indicates the possibility that the total amount of inflow of remittances, channelled through both formal and informal means, might have declined during most months in 2020. Informal channels of remittances remained clogged during the pandemic, and the demand for informal remittances also fell due to sluggish trade and tourism activities. All of these contributed to the sudden rise in poverty during the early months of the pandemic. Also, a high poverty rate persisted even by the end of 2020.

There are two pertinent questions related to the sudden jump in the poverty rate in Bangladesh. How quickly will the new poor return to the non-poor status, ie, will the poverty reduction be slow or rapid? And what strategies do we need to counter the high rise in poverty?

The pace of poverty reduction, whether it will be slow or fast, will depend on the features of the new poor and the type and speed of economic recovery. SANEM's recent household survey results show that a large proportion of the new poor is concentrated in the small and medium sized enterprises (SME) and services sectors. People employed in urban service sectors were especially badly hit by the pandemic. As most jobs in the urban services sectors are informal and job security is virtually absent in these engagements, the pandemic left these people with no options. Also, the SMEs, despite that they are among the most affected sectors, haven't been adequately supported through the government's stimulus packages. A large portion of the stimulus package announced for SMEs by the government remained unutilised, as most of the SMEs are outside the formal banking process, and no alternative mechanisms were put in place for them. SANEM's two rounds of business surveys found that the economic recovery process for SMEs remained slow.

Unable to find work, a porter sits idly under a foot bridge at the capital's Karwan Bazar during the beginning of the Covid-19 lockdown in Bangladesh.

PHOTO: RASHED SHUMON

The question of the strategies of poverty reduction should involve non-conventional approaches to poverty reduction. Four major strategies can be followed.

First, the management of the Covid-19 crisis and economic recovery should be the priority. Given the extreme uncertainty in global markets, creating difficulties for export sectors to bounce back, a strong focus should be on the recovery of the domestic market. In other words, the policies and strategies for economic recovery should have a high priority for the revival of economic activities in domestic markets. The SMEs, in particular, should be given the utmost importance. One important point to ponder is that even if we see recovery in the export sectors, the positive effects of the recovery in exports, in terms of generating economic growth and reducing poverty, may remain weak for a long time due to the broken or suppressed supply chains in the economy. It should also be noted that due to such re-orientation of policies and strategies, economic growth is likely to be much lower than the official target. However, under the current crisis, even a low economic growth based on the revival of domestic economic activities can be robust, and it can lead to better distributional impacts during the recovery phase. Nonetheless, for better management of the Covid-19 crisis and for ensuring a robust path to economic recovery, there is a need to address institutional and governance-related challenges urgently.

Second, social safety net coverage, including direct cash transfers and food assistance to the poor, should be widely expanded. However, there is a critical political economy issue related to the management of this expansion, since the country spends very little on social protection as a percentage of GDP. Also, there are large loopholes in social protection programmes in the forms of leakage, corruption, wrong targeting and mismanagement. Therefore, there is a need for strong efforts, especially in making the social protection programmes more effective through properly identifying poor and vulnerable populations, and ensuring that the support actually reaches them.

Third, as the poor are making intergenerational adjustments by rearranging their priorities to cope with the crisis, such as spending less on education, health and entertainment, they are sacrificing the prospects for better health, better education and a better life. Students from distressed families are likely to bear a higher burden of this impact, and many of these students may permanently be out of the education system. Therefore, non-conventional, urgent and targeted programmes are needed to address the agonies of students from these families.

Fourth, the government policy response related to current labour market challenges has remained weak and inadequate. The new poor, with highly disrupted engagements in the labour market, are not covered in existing social safety net programmes. Therefore, the government should introduce new social safety net programmes targeting the labour market. In this context, the employment guarantee scheme for a certain period of time for vulnerable populations can be seriously considered. The government should also form a Labour and Employment Commission to assess the current unprecedented situation and suggest necessary measures.

Dr Selim Raihan is Professor, Department of Economics, University of Dhaka and Executive Director, South Asian Network on Economic Modeling (SANEM).
Email: selim.raihan@gmail.com.

Why Bangladesh shouldn't count on a fossil fuel future

SIMON NICHOLAS

TWO astonishing figures have circulated in the Asian energy sector in the past month: LNG prices have increased by 1000 percent since record lows of April 2020, and Vietnam has increased its rooftop solar by 9,000MW within 12 months.

The two figures represent two different potential futures that Bangladesh could choose: the former points to a future of increasing costs and unstable energy supply, while the latter promises cost reductions for years to come and increased energy security. Skyrocketing LNG prices has spelled bad news for gas importers and puts a question mark over Bangladesh's plans to import more of the fuel, a recent briefing by IEEFA explains.

The global pandemic has radically affected the global energy industry and LNG prices have since risen by 1000 percent since hitting historic lows in 2020. Around USD 50 billion of LNG projects in Asia are at risk of cancellation because of increasing price volatility. As prices soar to unaffordable rates, Bangladesh's plans to boost its share of fossil fuels imports for power generation look increasingly problematic.

The Bangladesh government is reportedly abandoning further coal power projects due to the increasing difficulty in financing such proposals. This would avoid further reliance on expensive imported coal—prices for Australian thermal coal are now almost double the lowest prices in the second half of 2020.

But as Bangladesh considers the cancellation of coal projects, LNG has been suggested as the replacement and the possibility of renewables has been overlooked.

There are already worrying indications of the issues Bangladesh will face if it becomes increasingly reliant on LNG. Recent tenders for LNG shipments into Bangladesh have not received any bids from suppliers amidst the price surge. This follows the cancellation of several Bangladesh LNG tenders in 2020 on the basis that bid prices were too high even before the latest price spike.

With financial instability in the oil and gas industry, and low levels of industry investment and drilling, it is likely that a new era of higher prices and more volatility is upon us. Bangladesh cannot afford to gamble on price if it is to provide stable conditions to support economic growth.

Increased costs for consumers?

Very high LNG prices are resulting in escalating electricity prices in countries that are dependent on the fuel for power generation. Japan has seen wholesale electricity prices rise to astonishing record highs off the back of increased global gas prices. The implications for Bangladesh are stark. Almost 15,000MW of planned new power capacity will be fuelled by imported LNG and coal.

Unfortunately, growing reliance on imported fossil fuels isn't the only likely driver of higher Bangladesh power prices going forward. The nation's overcapacity problem is worsening, with overall power capacity utilisation rates declining again to just 40 percent in the fiscal year 2019-20, down from 43 percent in the prior year.

Overcapacity is a major cost burden. The Bangladesh Power Development Board (BPDB) must make capacity payments to power plants even if they sit idle, thereby pushing up the average cost of power per unit. Another recent IEEFA briefing note has forecast that overcapacity will worsen further unless power generation growth is maintained at more than 10 percent per annum over the next five years.

With cost pressures now aligning, Bangladesh is faced with the prospect of larger government subsidies to bail out BPDB's annual losses as well as power tariff increases for consumers and the industry. Under new legislation, power tariffs can now be increased multiple times per fiscal year.

Solutions for lower power cost

To enable sustainable economic growth and avoid these cost pressures, Bangladesh's focus should switch to investing in increased power transmission and distribution capability. This would alleviate very low utilisation rates and reduce the capacity payment burden whilst also meeting increased power demand.

In addition, a switch to renewable energy investment can lessen future reliance on fossil fuels and would empower Bangladesh by having stable access to homegrown energy.

Vietnam is already leading the way in the region through installing an astonishing 9,000 MW of rooftop solar within the past 12 months as the global roll out of renewable energy accelerates amid decreasing costs. Meanwhile, Bangladesh's Sustainable and Renewable Energy Development Authority (SREDA) has recommended a 30,000MW solar target in its new National Solar Energy Roadmap.

SREDA sees 12,000MW of this 30,000MW target coming from rooftop solar. There is significant potential for rooftop solar in Bangladesh, with calculations that 5,000MW could be installed on the rooftops of garments and textiles buildings and 2,000MW on government buildings.

PHOTO: COLLECTED

Soaring LNG and coal prices should incentivise Bangladeshi decision-makers to think long-term: cleaning up overcapacity problems and investing in renewables is the smart choice for a country with high ambitions for growth but sensitivity to prices.

Simon Nicholas is Energy Finance Analyst at the Institute for Energy Economics and Financial Analysis (IEEFA).