

Faridpur criminal duo mere tip of the iceberg

Political backing of crimes and criminals must stop

FURTHER details have emerged of the operations of the notorious Faridpur criminal duo and their associates and patrons which, once again, put into sharp relief the enduring connection between politics and crimes in Bangladesh. The two brothers—Faridpur Awami League's suspended general secretary Sajjad Hossain Barkat and his brother Imtiaz Hasan Rubel—ran a criminal syndicate through which they would commit various crimes, including tender manipulation, extortion and land grabbing. In the process, they amassed a vast amount of wealth and money, a large part of which was siphoned off abroad. A new report by this daily highlights how they were enabled by influential ruling-party leaders, including a former minister's brother and assistant personal secretary—and how they would secure government contracts by ruthlessly eliminating competition even from Awami League-linked businessmen. One enlisted contractor disclosed to *The Daily Star* how he was mercilessly beaten just for submitting a tender.

A CID charge sheet submitted in connection with a money laundering case accused all the four mentioned above, as well as six others. While the story of how the brothers and their enablers ran the syndicate—using their political connections and muscle power, including through a "helmet gang"—is nothing new, it does show the enduring appeal of the political patronage of crimes. The question is: how could these criminals operate with such impunity, and for so long? Why did the administration do nothing to bring them to justice earlier? Whether or not the 10 will be punished for their crimes remains to be seen. But this can be said with certainty that only prosecuting the visible faces of such crimes, without addressing the real problem of the criminalised patronage culture, will not have much impact in the future.

Unfortunately, we live in a country where the check and balance system seems to have almost broken down, with near-zero accountability for the political actors and those in law enforcement. People like Barkat and Rubel often start as petty criminals, and it is only through political patronage and the tolerance of the administration that they are able to sustain and rise through the ranks. They are discarded only when they become an embarrassment for the powers that be. Unless we stop this culture of tolerance for crimes and stop political influences to get in the way of rule of law, the old players will only be replaced by emerging ones, and there will be no end to such crimes. The real criminals, those benefiting from their services, will remain outside of the law. All political parties, including the ruling one, as well as the administration must try harder to stop this from happening.

Govt wants to produce AstraZeneca vaccine locally

Must ensure effective planning before proceeding

THE government's recent request to British-Swedish pharmaceutical company, AstraZeneca, to authorise the production of its Covid-19 vaccine in Bangladesh, is a pragmatic one in the backdrop of vaccine manufacturing countries halting supplies to other countries in order to meet domestic demand. Specifically, the government has proposed to either import the vaccine in bulk amounts and repackage it, or manufacture it from the vaccine seed using AstraZeneca's technology. The reason AstraZeneca's vaccine in particular is sought-after by Bangladesh is because it is low-cost and more suitable to store and handle in the country's climate.

The health minister believes that Bangladesh has the capacity to produce the Oxford-AstraZeneca vaccine from seed and host cell banks. While the chairman of the pharmacology department at BSMMU echoed this belief, he also thinks that we need to acquire the appropriate technology to accommodate vaccines which have been produced using newer techniques. Another hurdle, pointed out by an unnamed senior epidemiologist, is that the Directorate General of Drug Administration's (DGDA) biological lab is a Category-C one, and needs to be upgraded to Category-A after inspection by the World Health Organisation (WHO), if it is to meet global standards and be eligible for exporting vaccines.

We commend the government's initiative to take a more hands-on approach to fighting Covid-19 using the vaccine, especially when the country has just had the record high of 6,830 infections on Friday. However, we must also warn the authorities to not be hasty in its planning and execution, if AstraZeneca does allow the manufacturing of its vaccine locally.

With things changing rapidly, including the mutation of the virus into newer strains, it is important to not give in to panic and try to execute the plan as quickly as possible, while forgoing effectiveness, as seemed to be the case when the recent 18-point Covid-19 directive was issued last week. We would urge the authorities concerned to ensure that the vaccine can be produced, stored, and used effectively in the long term before committing to buying it or its seed in bulk amounts. Given the short shelf life of 6 months of the sealed vaccine doses, and the less than impressive turnouts at our vaccination centres (due to lack of promotion of the vaccine and the complicated registration process), thinking ahead is vital if we are to use our limited resources efficiently. Adding to the tens of lakhs of AstraZeneca vaccine doses we already have at hand would be of no use if people remain unaware and unvaccinated.



AN OPEN DIALOGUE

ABDULLAH SHIBLI

THE latest crisis surrounding the Suez Canal appears to have come to a favourable resolution, avoiding a full-blown disaster. The world was watching with bated breath for almost 10 days, as the Suez Canal drama was playing out last week. A Japanese container ship, on its way from Asia to the Dutch port of Rotterdam, got stuck diagonally in the Suez Canal on March 23, 2021, and traffic on the canal came to a standstill. The ship *Ever Given* was travelling north on the canal and turned right. Both its bow (the front) and the stern (the tail) hit the banks of the canal, leaving about 400 vessels stranded on the southern and the northern segments. A group of an international crew worked feverishly day and night to dislodge the container ship and succeeded in doing so on March 29 to refloat it. But the fallout is already starting to emerge. Some of the ships coming from Asia are going around the Cape of Good Hope to reach Europe. Others that were stuck in the Mediterranean turned around and are now heading for the Atlantic Ocean to reach the Asian destinations.

The rescue operation of *Ever Given* gripped the imagination of billions around the globe who were watching live on TV and the Internet as the leviathan, laden with 18,000 containers, was stuck for almost a week, and tugboats attempted to refloat it. The 1,312-foot, quarter-mile long, 200,000 metric ton container ship became the subject of wide-spread speculations. At one stage, Egypt's President, Abdel Fatah al-Sissi, stepped in and ordered a back-up plan, including preparations for removing containers from the vessel, according to news reports last Sunday.

The *Ever Given* episode reminded us of the story of Gulliver, who after a sea-borne disaster, found himself on the shores of the island country of Lilliput. In "Gulliver's Travels" written by Jonathan Swift, the protagonist finds himself in the midst of the tiny inhabitants of Lilliput, who tie him down with ropes and other types of fasteners on the beach to prevent him from leaving the seashore and causing harm to the 6-inch-tall humans. He is finally set free on the orders of the

King of the Lilliput after promising not to hurt his subjects. Jonathan Swift claimed that he wrote Gulliver's Travels "to vex the world rather than divert it". It appears that *Ever Given* which was driven by strong winds and possibly human error to be beached on the shores of the Suez Canal managed to take our eyes away from the pandemic and the other problems we face every day.

The Suez Canal is a vital conduit for the global supply chain, with 51 ships passing through the canal each day. It is a 120-mile-long shipping link between the Mediterranean and Red seas that carries 10 percent to 12 percent of commercial shipping and about 2.5 percent of the world's oil. A German insurer said delays could cost global trade USD 6 billion to USD 10 billion a week, Reuters reported.



A view shows *Ever Given* container ship in Suez Canal in this Maxar Technologies satellite image taken on March 28, 2021.

PHOTO: REUTERS

According to another estimate, the total value of goods that move through the Suez Canal daily is over USD 9.5 billion. Lloyd's values the canal's westbound traffic at roughly USD 5.1 billion a day, and eastbound traffic at around USD 4.5 billion a day. The ship completely blocked the canal disrupting much of the world's seaborne trade and caused a traffic jam with hundreds of ships waiting to enter the Suez.

The *Time* magazine was not exaggerating when one of its headlines proclaimed, "A Massive Cargo Ship Stuck in Egypt's Suez Canal Is Imperiling Shipping Worldwide". While the Suez Canal is just a link between the Red Sea and the Mediterranean, it is also the

quickest, and most economical path from Asia and the Middle East to Europe and the east coast of the USA. Ships that ply this route haul cars, oil, livestock, laptops, jet fuel, scrap metal, grain, sweaters, sneakers, appliances, toilet paper, toys, medical equipment and much more.

The current stoppages and delays have already cost billions of dollars to the traders that use it, the shipping companies, as well as the Egyptian Government in terms of lost fees. Lloyd's List calculates the blockage, lasting 6 days, was costing USD 400 million an hour. Jon Gold, vice president of supply chain and customs policy for the National Retail Federation, said last week, "Many companies continue to struggle with supply chain congestion and delays stemming from the pandemic. There is

through it. Unfortunately, it now appears that the government of Al-Sisi was ill-prepared for the crisis and had neglected some of the basic aspects of disaster preparedness, including mitigation strategies, according to scholars at the Abu Dhabi Institute. It is the high tide that finally delivered the punch that helped the ship aided by tugboats to pull itself free of the sands of Sinai!

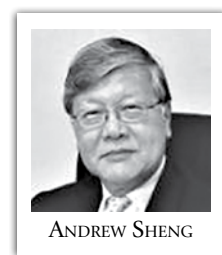
My last visit to the Suez Canal from the Egyptian side was less eventful. I was visiting Egypt with my family and staying with a Bangladeshi diplomat. Originally, my itinerary did not include the Suez Canal. However, after visiting all the major tourist attractions, including the Pyramids, Aswan and Alexandria, we had two days left before our departure. And then, we went to a dinner at the residence of the Bangladeshi Ambassador to Egypt, Serajul Islam, whom we called Sabuj Bhai. He suggested we could take a day-trip to the Suez Canal. So, the following day we drove from Cairo to the western banks of the Suez and crossed the canal on a ferry. We saw some of the remnants of the many wars that Israel and Egypt fought since the nationalisation of the canal by President Nasser in 1956. During our visit, things were calm and we walked around on a balmy day with admiration for this man-made Wonder of the World.

Since the War in 1973, the canal has stayed out of news headlines. Every nation in the world has a stake in ensuring that traffic is flowing since it is considered "strategically and economically one of the most important waterways in the world."

Now that the immediate crisis is over, it is time to understand why it happened and how to prevent it in future. The chairman of Egypt's Suez Canal Authority said that weather conditions "were not the main reasons" for the grounding, and that "there may have been technical or human reasons". An investigation is ongoing. The ship's owner, the Japanese company Shoen Kisen, has been forthcoming and fully cooperating with all the parties involved in damage assessment and post-disaster investigation. For now, the 360 ships, carrying everything from cars to oil to grain, are heading cautiously towards the canal's northern and southern entrances. It is not clear how many ships that were heading for the canal have been diverted to the African route.

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Why emerging markets must think for themselves



ANDREW SHENG

"April is the cruellest month", so said the poet TS Eliot in his 1920s poem, *The Wasteland*. The April Spring meetings of the IMF/World Bank will be held virtually this year, locked down by the pandemic that is raging into its third wave worldwide.

The world is in a cruel situation, because the uneven arrival of vaccines demonstrate that a few rich countries get them first, whereas the health and economic condition for the many are dire. The latest available OECD Economic Outlook suggested that the recovery in 2021 will be divergent, meaning that certain countries will do better, but others will continue to struggle. That is polite officialese for devastation.

When the pandemic hit, the rich countries spent roughly three times the stimulus package that was applied for the last financial crisis in 2008/9. The poorer emerging market economies (EMEs) could not afford to print money to the same extent, but they witnessed considerable capital outflows. According to the Institute of International Finance (IIF), emerging markets attracted USD 31.3 billion in portfolio flows in 2020, USD 48 billion less than the previous year. Furthermore, foreign direct investments (FDI) fell 42 percent from USD 1.5 trillion in 2019 to an estimated USD 859 billion, per UNCTAD Investment Trends Monitor.

With lower export income as commodity prices tumbled, many developing countries are facing debt distress. In the last decade, the external debt of developing countries doubled from USD 4.5 trillion in 2009 to USD 10 trillion or 29 percent of GDP in 2019. In 2020 and 2021, developing countries face repayments on their public external debt amounting to an estimated USD 700 billion to USD 1.1 trillion for low-income countries and middle-income countries.

Thus, when official forecasts preach recovery on an "average basis", we should have no illusions that from Mexico to South Africa, the decline in GDP last year was over 7-9 percent, so the situation for the bottom half of

society in many EMEs are deadly serious. The rich do not fear inflation, but when food and energy prices rise once again with massive monetary creation, the poor will be the major victims.

In the 1930s, the English economist John Maynard Keynes identified the liquidity trap where aggregate demand lagged aggregate supply. Put simply, too much savings was stuck in short-term liquid assets, and not enough money put into long-term investments to get jobs going again. Funding is available, but since no one is investing for the long-term and improving productivity, you get "secular stagnation", sliding into slow-growth depression.

We have a similar situation today. Since the 2008 global financial crisis,

percent of US GDP. The rest of the world is in effect funding their banker, who is not investing long-term in its own home market, let alone the rest of the world.

Here's how the global balance sheet looks like. The EMEs (including China) hold roughly USD 10 trillion out of total USD 12 trillion of global foreign exchange reserves, of which 60 percent is in US dollars. At the same time, the emerging markets owe roughly USD 10 trillion in foreign debt, mostly in US dollars. And since they pay a 4 percent margin (2 percent higher borrowing costs and 2 percent lower return on short-term investments and deposits), they provide global bankers and asset managers USD 400 billion revenue for not lending them money for long-term investments.



the invention of quantitative easing (QE) or increase central bank balance sheets and reduce interest rates) used painless short-term monetary policy to avoid painful fixing of long-term structural deficiencies. Since Wall Street controls Main Street through money politics, no one was willing to tax the rich to deal with the widening inequalities.

At the end of the Second World War, the US emerged as the strongest and richest country, and therefore acted as the world's banker, lending dollars to those who need them to recover, including creating multilateral development banks (MDBs) like World Bank to provide long-term development funds.

Today's situation has reversed. The US has become the world's largest borrower, with net foreign liability of USD 14 trillion as of September 2020 or over 60

Here's the irony. Since the global rating agencies define credit risks to rich countries as low and emerging risks as high, the EMEs are being starved out of their own money. There is no shortage of short-term money, since the top four reserve currency central bank balance sheets increased by USD 9 trillion in 2020 alone.

The MDBs have total assets of USD 1.6 trillion, when the UN Sustainable Development Goals (SDG) investments have a financing gap of USD 2.5 trillion annually. The rich countries which have majority control of the MDBs refused to increase their capital to help meet this gap, asking the EMEs to resort to market funding. But the financial markets are only funding the rich. Indeed, stock markets fund have only 41,000 listed companies, whereas there are millions of small and medium-sized enterprises

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(SMEs) which cannot access public capital.

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The recent US and European support for USD 500 billion increase in Special Drawing Rights (SDR) issue by the IMF is a step in the right direction but does not address the structural liquidity trap of who will lead the investment in long-term green and inclusive infrastructure for the developing world.

The first thing to address is the massive implementation capacity gap. Too much short-term thinking has depleted almost all governments' operational capacity to design, execute and operate long-term infrastructure, with the exception of China. Many private-public partnerships (PPPs) have turned out to be opportunities for corruption or weak project designs. The MDBs complain but they lack today the effective advisory and implementation experience that used to exist before the 1980s, when project engineers dominated operations, rather than present-day macro-economists and MBAs who talk more theory than hard project skills.

Democracy is about the many for the many. Time for the many in EMEs to think and act for themselves.

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