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Border hospitals under stress

Their resources must be beefed up urgently

LOOKING at how the Covid-19 pandemic has been handled so far gives one the impression that we have been constantly outrun by it. We have failed to be proactive. It also exposes the error of concentrating most of the national resources in the capital. The fallacy of it has no more been so starkly exposed than during the pandemic, when the outlying districts and upazilas are struggling to cope with the onslaught of the virus, whereas most of the resources have been directed towards the capital.

The pandemic is in its second year with little sign of relenting. Yet, little have we learnt from the way the pandemic was handled (or mishandled). While there is a lack of equipment and facilities at our disposal, their shortage can be made up if one has the money. What is at premium in this case are trained medical personnel, most of all nurses and medical aids, which money cannot acquire within a short time. One wonders if any special programme has been taken to make up the shortfall in this category. If so, one would have hoped that the bordering areas would not be so badly strapped for trained medical personnel with health workers being forced to take on an overwhelming load of hours which, is not sustainable.

The impending second onslaught was not unforeseen and that it would have the most serious consequences on the bordering districts was also anticipated, and instructions had been issued accordingly to take appropriate measures. But what was not concurrently done was to ensure that hospitals and medical centres in this region were adequately and equitably resourced in all respects. That, regrettably, had not been done.

As the situation stands today, with nearly 30 percent positivity rate on the average in border districts, hospitals in these areas are under tremendous strain to cope with the situation, due mostly to the lack of frontline doctors and nurses. In some hospitals, numbers of doctors and medical staff do not commensurate with the number of beds, which in most cases are now full. Medicines and other health aids are of no use if there are not enough people to administer them.

We suggest that the shortfall in the border district hospitals be met from other parts of the country that are not under similar duress. Concurrently, nurses' training should be started through crash courses to cater to the situation. As it is, we have always been running short of nurses. Given the spike in positivity rate, unless immediate measures are taken to increase the number of healthcare workers in these hospitals, things might soon run out of control.

Why can't women pay respect to freedom fighters?

Recommendation to exclude women UNOs from guard of honour is against the Constitution and spirit of Liberation

WE are shocked by the strange recommendation of the parliamentary standing committee on the Liberation War Affairs Ministry to replace female Upazila Nirbahi Officers (UNO) with a lower ranking male officer when a deceased freedom fighter is given the guard of honour.

The committee came up with the recommendation on Sunday, during a meeting at the Jatiya Sangshad Bhaban where Awami League lawmaker Shajahan Khan was present. A member suggested that it is necessary to assign the aforementioned responsibility to a male officer in upazilas where the UNO is female, because "usually" women are not allowed to participate in namaz-e-janazas. However, as pointed out by rights activists in a report by this daily, that is not always the case, not just in other countries but in Bangladesh too, where women do sometimes take part in namaz-e-janaza.

More importantly, the guard of honour given to a deceased freedom fighter is not a religious rite—it is essentially the state's way of paying its last respect and gratitude to freedom fighters for their contribution to the nation. Therefore, it is performed by the highest ranking official of an upazila (that is, the UNO), regardless of their gender. The UNO is, in this instance, representing the state and paying respect to the deceased freedom fighter on its behalf. To hand over this responsibility to a lower ranking officer, using the excuse of religion, would be to disrespect a valiant freedom fighter in their death.

Needless to say, this regressive recommendation is not only an affront to women's empowerment and the spirit of the Liberation War, it is in direct contradiction to the Constitution of Bangladesh as well. As pointed out by Ain O Salish Kendra (ASK) in a statement, this recommendation contradicts Articles 19 (3), 27 and 28 of the Constitution—pertaining to equality of opportunity (and participation of women in all spheres of national life), equality of all citizens before the law, and not discriminating on grounds of religion, race, caste, sex or place of birth, respectively.

In an era wherein we have all the knowledge and resources to make gender equality a reality, for a recommendation such as this to come from high-ranking government representatives is extremely disappointing. We urge concerned authorities to not take this step backwards and cause harm to the already abysmal state of women's participation in government and state activities. As rights bodies have pointed out, namaz-e-janaza and guard of honour are as separate as religion and state should be.

LETTERS TO THE EDITOR

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English diploma courses at DU

The Institute of Modern Language of Dhaka University is praiseworthy. However, despite having diploma and higher diploma courses in every other language department, there is no such course in the English language department yet. This one shortcoming is quite significant. Since the English language is so widespread globally, I believe that DU's English language department should consider including diploma and higher diploma courses immediately.

Md. Tajul Islam Khan, *Lawyer*

Inclusive growth policies can reduce inequality in Bangladesh

NAWSHAD AHMED

WHETHER economic growth has an inherent mechanism to reduce both poverty and inequality has been extensively studied in developed and developing countries. From these studies, we can say that growth is a powerful instrument for reducing poverty. However, growth alone does not fully address the problem of both poverty and inequality—other tools are needed. The "inclusive growth" approach is what is now used for poverty alleviation and inequality reduction around the world and refers to sharing of economic growth benefits to the widest extent possible, especially with the bottom 40 percent of the population.

This inclusionary approach to growth should help the poorest and most vulnerable people to increase their income, boost employment opportunities, and acquire productive assets—all of which contribute to their movement out of poverty and to equality. Bangladesh has been successful in poverty reduction in the past 50 years but inequality has been rising, despite impressive economic growth in the last three decades. This shows that though one objective of economic growth, poverty reduction, has succeeded, the other has not. The first Sustainable Development Goal is to eliminate poverty and SDG 10, to reduce inequality—both are critical and ambitious development agenda to be met by 2030.

The country has been committed to achieving fair and equitable economic growth since independence. There has been wide-ranging consensus about the need to address inequality in society, not only as a moral obligation but also to enhance the productive potential of people with the goal of faster economic development. It was also recognised that growth itself is an inadequate means to reduce inequality if pursued without investing in social protection programmes, arranging easy access to finance for the poor, and prudently designed fiscal and monetary policies. The free market mechanism cannot ensure the removal of all bottlenecks towards full employment, maintaining minimum wages for all, guaranteeing basic needs for every household, and healthcare, quality education and housing for everyone. Some empirical studies have shown that sustained increase in income inequality has the potential to reduce economic growth performance and therefore, we should seek to reduce inequality with urgency and act in the interest of long-run economic prospects.

Empirical studies in different countries have shown that fiscal and monetary policies in favour of income and employment support, and public investment in education and health provisions have positively assisted private production and growth by their distributive effect and by stimulating aggregate demand, instead of harming productive forces. Other studies have shown that countries having the highest tax-GDP ratio have been able to decrease income inequality more successfully. Poor taxation of income and inequality are co-related and so direct taxation must be used to increase government revenue to cover the cost of quality education and health, subsidise food and electricity for the poorest households, and expand social protection programmes.

To design inclusive growth policies, we need to understand the process through which inequality rises. There are five potential areas that can be identified in relation to rising inequality, the first being adaptability of skills to technological advancement—as demand for high-skilled labour raises wages and those with less training and skills either lose their jobs or receive low pay. Secondly, those with higher educational levels have better employment opportunities and earnings. Next, better administration of taxation has the potential to increase revenue, redistribute it in favour of the poorer segment of the population by way of investment in rural infrastructure, agriculture, and government subsidies in education, health and other basic services, and through unemployment benefits. Fourth, various economic and other shocks, natural and man-made disasters, emergencies such as the ongoing coronavirus pandemic, and large-scale population displacements are underlying causes of poverty and inequality. Last, a section of the population who benefit from large-scale corruption and other means of illegitimate income, can lead to rising inequality in society.

Let us be retrospective about the policies adopted in Bangladesh and explore other options which are available to bring about a fairer and more equitable growth process in future. In the past, several policies dominated, including fiscal and monetary policies, with a view to attaining macroeconomic stability—privatisation of banks, ensuring capital availability to investors, spurring employment through industrialisation, increasing agricultural and consumer goods production and consumption, on the domestic front, and increase of trade and manpower export globally. On top of these, the government has invested heavily in electricity generation, a transportation network, other infrastructure like ports, and setting up special economic zones—all of which attempt to facilitate private investment and create a level playing field for the private sector.

Two important underlying goals of the above policies, among others, were to bring down the proportion of people living in the poverty bracket and reduce income inequality. As we know, the proportion of people living under the poverty line in the country has gone down from 59 percent in 1991-92 to 20.5 percent in 2019. However, the Gini coefficient increased from 0.39 in 1991 to 0.48 in 2016—showing inequality has increased significantly in the country.

A lot more than what has been done so far needs to be done to make growth more inclusive. These include higher budgetary allocations in health and education sectors, technical and vocational training for enhancing human capital, increased public investment in food-grain procurement and distribution, strengthened tax administration for fiscal sustainability, stimulus packages for small and medium sized enterprises, and better targeting of beneficiaries and expansion of coverage of social safety net programmes, especially during the current Covid-19 pandemic. The government's 2020-2021 budget provision of stimulus packages did not reach small and medium sized enterprises, small farmers, and the poorest hit hard by the pandemic, to the extent it expected. In the 2021-2022 budget, the government needs to keep this in mind and take strong measures to keep both poverty and inequality under control. The next fiscal year's budget must reflect these factors to deal with rising inequality and sudden increase in the number of new poor due to the effects of the pandemic.

Rising inequality is a matter of concern and therefore, inclusive growth policies should be adopted to address it. We need to devote more urgent attention to the challenge in view of the Covid-19 pandemic since its effects are likely to continue impacting our economy for several years to come. Both the Millennium Development Goals and SDGs heavily emphasise poverty alleviation and inequality reduction. We have to live up to the expectations of the SDGs which are only nine years away now.

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We should seek to reduce inequality with urgency. PHOTO: ANISUR RAHMAN

PROJECT SYNDICATE

The Paradoxes of the Bangladesh miracle

ARVIND SUBRAMANIAN

RAVAGED periodically by natural calamities, long dependent on foreign aid and remittances, and a perennial source of refugees and emigrants, Bangladesh was once "a basket case of misery," as Zia Haider Rahman put it in his great debut novel, *In the Light of What We Know*. But on the 50th anniversary of its independence, Bangladesh is fast becoming a development paragon—a Miracle on the Meghna.

Among the country's achievements is a dramatic improvement in its citizens' average standard of living. According to the most recent data from the International Monetary Fund, Bangladesh's per capita GDP (measured in purchasing-power-parity terms) was about half of Pakistan's in 1987 and two-thirds of India's as recently as 2007. But in 2020, Bangladesh has surpassed the former and is catching up with the latter, owing partly to its success in becoming a leading textiles and clothing exporter, trailing just behind China and Vietnam.

Even more noteworthy are the improvements in social indicators such as life expectancy, infant and maternal mortality, fertility, and female labour-force participation. And, equally important, Bangladesh has managed to sustain a modicum of democratic stability—keeping the army in the barracks.

But beyond such metrics, Bangladesh's experience is distinctive in two ways that have yet to be fully appreciated from a broader development perspective. The first relates to state formation and capacity. The defining characteristic of the modern state is that it holds a monopoly on legitimate violence, legitimate extortion (namely, taxation), and the provision of essential services. The second monopoly serves the objective of the third, and even when the state does not provide services directly, it dictates the terms.

In Bangladesh, however, the state has voluntarily ceded the service-provision monopoly to the nongovernmental sector. BRAC and a number of other now-famous NGOs have played a major role in providing healthcare, schools, and financial services, and in leading public-health campaigns to deliver oral rehydration therapy and immunisation. Despite the NGO sector's outsize presence, Bangladeshi leaders have not perceived its activities as a usurpation of the state's authority.

As such, Bangladesh offers a fascinating study in political economy. Normally, democratic states aim to ensure popular support by providing the services that citizens need. Most are loath to cede that function lest they lose power and legitimacy (not to mention opportunities for rent-seeking and corruption). The more effective that non-state actors become in delivering services, the more threatened most states feel. But Bangladesh has escaped this dynamic.

A partial explanation is that Bangladesh was so poor and lacking in state capacity in its early years that public service delivery suffered, creating a vacuum for other actors to fill. Those who seized the opportunity then enjoyed access to vast inflows of foreign aid, which averaged (in net terms) five percent of GDP for 25 years until the turn of the century.

But deeper factors could also be at play. Given that Bangladesh has a relatively low tax-to-GDP ratio of less than 10 percent, one can infer that the state implicitly chose to cede its monopoly on service provision to avoid exercising the politically costlier monopoly of taxation. So, while Pakistan is seen as a failing state, and India as a "flailing state," Bangladesh is a fledgling state, though more effective than its South Asian neighbours.

The other distinctive feature in Bangladesh's development is its export performance. The fact that its success in manufacturing contributed in turn to greater education and agency for Bangladeshi women has been well documented by the economists Rachel Heath and A Mushfiq Mobarak. Less appreciated is the paradox that lies at the heart of this export success.

As my research with Raghuram G Rajan of the University of Chicago has shown, export sectors historically have fared relatively poorly in developing countries that received a lot of aid, suggesting the work of an "aid curse"—a variant of the natural-resource curse. Foreign aid, no less than an abundance of oil and gas, tends to make the real exchange rate too strong, rendering export sectors uncompetitive. But Bangladesh has bucked the trend again.

Beyond luck and chance, additional factors that may have contributed to Bangladesh's export success include plentiful labour, which kept dollar wages low enough to offset an exchange rate kept too strong by foreign aid and remittances; and preferential trade access to foreign markets, first under the Multi-Fiber Agreement (until it was abolished), and then under programmes established by the United States and the European Union.

Looking ahead, low-lying Bangladesh, of course, faces a serious climate change challenge, but its ability to sustain its economic transformation will depend on how these two distinctive features evolve. If non-state actors enter politics, they could upset the current equilibrium, prompting the state to reappropriate its monopoly on service provision. Were that to happen, the state would almost certainly have to increase taxes to show that it can be as effective as the NGOs.

Similarly, Bangladesh's export competitiveness could be undermined by rising wages, the enforcement of cost-increasing labour standards and regulations, and the loss of preferential export access in rich markets.

Bangladesh was carved out of India in 1947 on religious grounds and then broke away from Pakistan in 1971 on linguistic and cultural grounds. For decades, it was an object of condescension for India and Pakistan alike. Not anymore. Now a shining model of development, this twice-dismembered country offers lessons for the struggling countries from which it was born.

Arvind Subramanian, a former chief economic adviser to the government of India, is the author of Eclipse: Living in the Shadow of China's Economic Dominance.