

The Daily Star

FOUNDER EDITOR
LATE S. M. ALI

DHAKA SUNDAY OCTOBER 17, 2021, KARTIK 1, 1428 BS

Resuming in-person classes in private universities

The inoculation process should be accelerated and made easier for students

WHILE our public universities have already reopened halls and libraries and have more or less fixed the dates of reopening their respective institutions, the private universities of the country are yet to finalise when to resume in-person classes, because a majority of their students are yet to be vaccinated against Covid-19. According to a report in this daily, more than 70 percent of the students have registered for the jobs until now but only around 40 percent of them have received the first dose of the vaccine. And the universities cannot resume on-campus classes until both their teachers and students have gotten at least one dose of Covid-19 vaccine or are registered to get the vaccines, as per the directive of the University Grants Commission.

While we understand that the private universities do not want to take any hurried decision about resuming in-person classes, since it involves both the teachers' and students' safety, we also think that they should take proactive measures to make the vaccination process easier for their pupils.

We have also learned that many of the private universities are planning to hold classes and exams online for several more months, even if they fix the dates for on-campus classes. We think this is a judicious decision because our universities cannot simply go back to the old method of teaching in the post-pandemic situation, rather they should go for some kind of a blended/hybrid teaching method, meaning that they should continue with online education alongside classroom education. That's the lesson the pandemic has taught us.

However, while it would be easier for the private universities to go for a kind of blended learning, it will not be as easy for the public universities to do so because of the existing digital divide. We have seen how our public universities struggled to conduct online classes in the past one year and a half because of a lack of access of their students to the necessary devices and internet connections. We think both the private and public university authorities need to work on how they can reduce this digital divide in the future. Coming back to the issue of resuming in-person classes in the private universities, the government should set up vaccination centres on the campuses to speed up the inoculation process of students. The private university authorities should discuss the issue with the Directorate General of Health Services (DGHS) to make the vaccination process easier as well. Private universities should resume in-person classes as soon as possible, considering the safety and well-being of their students.

Another attack in Afghanistan

Increased violence within the country is a cause of concern for the region

ONLY last week, we wrote in these columns condemning a horrific attack on a Shia mosque in the Afghan city of Kunduz that killed at least 55 people, and expressed our concerns over the escalation of violence in the country. We are now saddened and worried to be writing about yet another bloody assault in Afghanistan, this time in the city of Kandahar, which killed at least 41 people and injured scores more. This attack, like the last one, is aimed at the Shia community, and has been claimed by the Islamic State (IS).

The fact that the IS are continuing their operations within Afghanistan, and even went so far as to brazenly attack a mosque in what is considered to be the heartland of the Taliban, has cast huge doubts on how steadily the current government can hold on to the reins of the country. The new Taliban-led administration had vowed to bring peace and stability to Afghanistan after decades of war, and had also assured the world that terrorists would not be able to operate on Afghan land. If recent events are anything to go by, they are being hard pressed to keep to their commitments, even in their own backyard. IS seem determined to spread sectarian violence and further destabilise Afghanistan.

This latest attack also exposed the extent of the humanitarian crisis currently facing the country. Afghan doctors spoke to AFP about how they urgently require blood for the injured and are struggling to treat them within a crumbling health sector. Only last month, the WHO chief warned that Afghanistan's health system is on the brink of collapse, and that cuts in international funding had forced health providers to decide "who to save and who to let die."

Although the UN has announced the release of USD 45 million from an emergency fund to support Afghanistan's struggling health system, the international community must do more to ensure such funds reach the people who need it the most. The Taliban now also have a window to prove that they are capable of governance and not just conflict, and prevent the situation from spiralling further. However, we are disappointed to see that no statements have been released, nor any steps taken, by the current administration to provide any reassurance to the minority communities in the country who are currently living in fear.

Our hearts go out to the people of the Afghanistan, who have already endured so much. The time is now for global leaders, major donors and regional allies to put pressure on the Afghan administration to end the violence that has erupted within the country. If this situation is not contained, its repercussions could reverberate across the entire region and create further instability and conflict in the near future.

INTERNATIONAL DAY FOR THE ERADICATION OF POVERTY

Ending poverty depends on how we value people and the planet



MACRO MIRROR
FAHMIDA KHATUN

THE International Day for the Eradication of Poverty is an opportunity to not only acknowledge the difficulties the poor face worldwide but also to make the concerns on poverty heard by all, particularly the policymakers. The United Nations (UN) at its General Assembly in December 1992 declared that October 17 would be observed annually as the International Day for the Eradication of Poverty. All member states were invited to promote activities towards poverty eradication in their respective national contexts.

Since the early 1990s, the world has progressed significantly on all fronts—economically, socially, technologically and much more. However, there are still a large number of people living in poverty without income and basic facilities of life. During the period of the Millennium Development Goals (MDGs) of the UN between 2000 and 2015, the world managed to reduce poverty by a large number. But the world still has a huge population of people living in extreme poverty. In 2015, the member countries of the UN pronounced their commitments towards poverty eradication once again through a much more serious announcement in 2015 and committed to implement the Sustainable Development Goals (SDGs). It set the target to eradicate extreme poverty for all people everywhere, currently measured as people living on less than USD 1.25 a day by 2030 (SDG no. 1.1). SDGs also urge for the eradication of all dimensions of poverty.

The theme of this year's International Poverty Eradication day is "Building Forward Together: Ending Persistent Poverty, Respecting all People and our Planet". Clearly, in the context of the ongoing Covid-19 pandemic that has shrunk the global economy significantly, leading to higher poverty, this day is even more significant. Various studies reveal that millions of people have been pushed into poverty and a new set of poor has been created. Most of the new extreme poor are located in South Asian and Sub-

Saharan countries (World Bank). Indeed, even before the pandemic, despite the world experiencing impressive economic prosperity, there were still a large number of people living without an income and the basic necessities of life. They are facing multidimensional poverty—not only just less income and consumption but are being deprived of all entitlements as a human being. They live in poor housing conditions with unsafe water and sanitation, have limited access to healthcare and education, and are exposed to risky work conditions. They are not covered under national social protection and are vulnerable to shocks such as natural disasters and pandemics. These poor also have unequal access to justice and do not have political power. While the concentration of the poor people has historically been in the developing and least developed countries, other advanced countries also face the challenge of poverty.

Bangladesh has been able to reduce poverty over the decades due to its high economic growth. The share of people living under the poverty line has come down from 48.9 percent in 2000 to 24.3 percent in 2016. In case of extreme poverty, the share of people living in extreme poverty has reduced from 34.3 percent in 2000 to 12.9 percent in 2016. Unfortunately, the success of higher growth and poverty reduction is not reflected in the case of reduction of inequality. Between FY1992 and FY2016, the income share held by the richest five percent of households in Bangladesh increased from 18.85 percent to 27.89 percent (Bangladesh Bureau of Statistics). Also, the income share held by the poorest five percent of households fell from 1.03 percent in FY1992 to 0.23 percent in FY2016. It is apprehended that the pandemic may worsen the inequality situation as the people just above the poverty level have fallen into poverty due to job losses and exhaustion of all their savings. In fact, the pandemic has created new poor who have lost their jobs—which has been the case globally.

For the coming years, Bangladesh has set targets to reduce poverty further. The Eighth Five Year Plan (8FYP) of Bangladesh targets to reduce incidence of poverty from 23 percent in FY2021 to 15.6 percent in FY2025. It targets to reduce extreme poverty from 12 percent in FY2021 to 7.1 percent in FY2025 (8FYP, Planning

Commission). Of course, the achievement of the 8FYP targets will depend on how the economy recovers from the Covid-19 pandemic and whether the projected growth of GDP of the country will be on track soon. In the 8FYP, the annual GDP growth rate is projected to be eight percent on average. If this growth is translated into higher and better job creation, increased income, improved productivity, and availability of universal and better public services, achieving SDG1 could be possible by 2030.

Given that the world during the pre-Covid period was not poverty free and equitable, the post-Covid world should

for poverty eradication. Higher growth will only be meaningful in the real sense when each and every person will have access to equal opportunities and can utilise her or his potentials.

The world leaders should plan for economic development by considering multi-dimensionality of progress that covers both quantity and quality. We must not forget that along with better living standards, people also need improved self-esteem, freedom from oppression, and availability of opportunities and greater choice. And, of course, growth cannot be sustainable if it is based on endless extraction of



Various studies reveal that millions of people have been pushed into poverty by the pandemic and a new set of poor has been created. PHOTO: REUTERS

look to "build forward better" instead of "build back better". This forward-looking building of the world will be economically, socially and environmentally equitable and just for every citizen of the world. Unfortunately, poverty is the result of a policy and regulatory framework that is designed to be discriminative against the poor. During the pre-historic period, lack of resources was the main cause of poverty, while in modern days, it is the lack of efficient use of resources and inequality in the distribution of resources. Hence, policymakers have to consider these aspects along with working for achieving accelerated growth while taking initiatives

the resources gifted to us by the planet. The sustainability of growth will depend on how we take care of nature and use natural resources.

Therefore, as we celebrate this year's International Day for the Eradication of Poverty and commit to building forward better, the perspectives on economic growth should be transformed into economic development. The real respect to people and the planet can only be shown through charting out a new path of economic development.

Dr Fahmida Khatun is the Executive Director at the Centre for Policy Dialogue. Views expressed in this article are personal.

What's new about the 2021 Nobel Laureates in economics?



AN OPEN DIALOGUE
ABDULLAH SHIBLI

ONE of the most eagerly anticipated Nobel Prizes is awarded in the category of Economic Sciences and this year three Americans were honoured. The three recipients are David Card, Guido Imbens and Joshua Angrist. Card was recognised for his work on the labour market and the other two for their contribution to econometrics, a branch of Economics.

This year's honourees truly have an international background. David Card, born 1956 in Guelph, Canada, got his Ph.D. in 1983 from Princeton University, USA. He is Professor of Economics, University of California, Berkeley, USA. Joshua D Angrist, born 1960 in Columbus, Ohio, USA received his Ph.D. in 1989 from Princeton University, USA and is currently Ford Professor of Economics, Massachusetts Institute of Technology (MIT), Cambridge, USA. Guido W Imbens, born 1963 in the Netherlands came to the USA and finished his Ph.D. in 1991 from Brown University, Providence, USA. He is the Applied Econometrics Professor and Professor of Economics, Stanford University, USA. Angrist holds a dual US-Israeli citizenship while Imbens has both Dutch and American nationality.

Until now, more than 90 percent of the recipients of the Nobel Prize in Economics have been working in advancing the theoretical principles of the discipline. The trio recognised this year could be considered "applied" economists, and all three worked with data to address issues that strengthen our understanding of real-life problems. MIT president L Rafael Reif, in a note to students, faculty, and staff said of Angrist, "His rigorous empirical approach to using the tools of economics, especially 'natural experiments', to understand and help address important real-world problems exemplifies the finest tradition of the department." Obviously, this tribute applies equally to all three.

Since the days when I was in graduate school many decades ago, researchers have struggled to figure out whether an observed relationship between two variables is causal or coincidental. For example, if data shows that workers with higher education levels also earn more,

can we conclude that these workers make more money because of greater education? As we know, correlation does not imply causality! In the same vein one could ask, does a correlation between age (X) and Covid-19 infection (Y) mean that X is causing Y?

Card, Imbens, and Angrist address the above questions with data from the labour market with tools in econometrics. The Nobel Committee recognised Card for his empirical contributions to labour economics and the other two laureates for their methodological contributions to the analysis of causal relationships.

As the announcement of the Nobel Committee mentions, the trio's work "provided us with new insights about the labour market and showed what conclusions about cause and effect can be

provide fertiliser to one group but the other, known as the control group, does not get any fertiliser.

Similarly, if free mosquito nets are offered to rural households to combat malaria, there has to be compelling evidence that providing free mosquito nets is the most cost-effective way to eradicate malaria. If not, the policy might result in failure and worse, be thrown out and tarred for the wrong reasons. That's also important because there are competing uses of money allocated for administering the "free net" programme.

Let's consider the case for raising the minimum wages of workers, a debate going on in every country. Using the traditional theory of supply and demand, economists were taught that raising wages will decrease the demand for labour.



The Nobel season closed on October 11 with the awarding of economic sciences prize. PHOTO: AFP

drawn from natural experiments. Their approach has spread to other fields and revolutionised empirical research."

The research framework utilised by these economists can be broadly categorised as "natural experiments". Natural experiments are somewhat different from the other experimental technique adopted in economics known as randomised control trials (RCT) which was popularised by Nobel Laureate Abhijit Banerjee.

Why are these experiments important? If an economist hypothesises that providing free inputs to farmers should increase their per capita yield, there is a need to test the hypothesis under controlled conditions. In RCT, to test if fertiliser increases the yield of crops, you select two different sets of farmers,

As noted by the *Economist* magazine, in 1992 a survey of the American Economic Associations members found that 79 percent agreed that a minimum-wage law increased unemployment among younger and lower-skilled workers. The current year's Nobel winners' research altered economists' views of such policies.

Card's work challenged two misconceptions: a) raising minimum wage decreases demand for labour; and b) immigrants take away jobs and lower wages. He and the late Princeton economist Alan Krueger found that in the early 1990s, the experience of New Jersey and Pennsylvania provided a "natural experiment" to test the hypothesis that raising minimum wages lowers labour demand. Card and Krueger looked at the effects of New Jersey's decision to raise the

minimum wage from USD 4.25 to USD 5.05 an hour. The two surveyed more than 400 fast-food restaurants in New Jersey and eastern Pennsylvania, where the minimum wage was unchanged. They found "no indication that the rise in the minimum wage reduced employment."

Incidentally, in an op-ed in 2014 on the issue of raising the minimum wage in Bangladesh's RMG industry, I had argued that higher wages for the garments workers would not cause any job loss—I had immensely benefited from the work of Card and Krueger ("Will rising minimum wage affect the RMG sector?" *The Daily Star*, October 1, 2014).

Coming back to the importance of natural experiments, these models provide economists, psychologists, and other social scientists with an opportunity to collect data when experimentation with human lives is impossible. It is difficult for economists to conduct empirical research akin to those done by medical scientists in a clinical setting. RCTs can be applied to answer only certain types of epidemiologic questions, but they are not suitable for all situations. They are also not useful in the investigation of questions for which random assignment is either impracticable or unethical.

Take the case of an experiment where Angrist and Krueger compared people who had different levels of education. US states allowed students to drop out of school at different ages, and they compared their lifetime financial earnings. Using statistical tools, they isolated certain societal variables that could also have an impact on income and concluded that a year's difference in education resulted in a roughly nine percent gap in income. This natural experiment on the labour market was feasible because the variables of interest, educational level and earnings, happened without the researchers' intervention, and the labour market provided data as events progressed.

A glowing tribute for this year's laureates came from Eva Mörk, a member of the Prize Committee for the Alfred Nobel Memorial Prize in Economic Sciences. He told the press on Monday that Card, Angrist, and Imbens "have revolutionised empirical work in economics. They have shown that it's indeed possible to answer important questions even when it's not possible to conduct randomised experiments."

Dr Abdullah Shibli is an economist and IT consultant. He is also Senior Research Fellow of International Sustainable Development Institute (ISDI), a think tank based in Boston.