The Daily Star
FOUNDER EDITOR: LATE S. M. ALI

# Dishonest traders, ready excuses

## Strict monitoring, legal measures can keep prices in check

WE, in Bangladesh, are used to the whims and greed of the dishonest traders and businessmen, particularly those who deal in food items and other consumer goods. They never miss a chance to raise prices on ever so flimsy grounds, like an odd thunder shower or a wildcat strike by transport owners. We have often seen prices of fast-moving consumer items go up, in spite of adequate reserve and normal demand. Unfortunately, in a sellers' market, consumers are captive to the syndicate's machinations that dictate the supply of essential goods. Regrettably, the administration, despite assurances, have not been able to rein in this wayward group of traders who continue to call the shots and dictate prices at will.

Noticeable is the disturbing fact that prices of food items go up before every Ramadan. Admittedly, demands during the fasting month go up considerably, but actually seldom outrun the supply. And unlike in other countries, where economic laws are allowed to function, in Bangladesh prices that go up once never come down with the demand curve flattening out. And this has much to do with the state's inability to make the market mechanism function as per its natural manner.

It is therefore, disquieting, though not surprising, to see that the prices of essential goods are going up once again. It was not unexpected, with Ramadan less than a month away, but the added excuse at the disposal of the traders is the ongoing Russo-Ukraine war. Admittedly, the conflict will have an effect on the market—to a greater or lesser degree—but it defies logic that the war has been going on for hardly a fortnight, and waves have already reached our shores. Are we to believe that our stock position is so poor that it can't withstand an erratic market for a short time? Experts disagree that the war is the cause. They believe that the lag time for the effect of the current conflict between Russia and Ukraine is at least three weeks. Indeed, the pandemic had disrupted the supply chain, but the rise in prices in Bangladesh has been much more than the international prices.

The real cause is the unmitigated greed of a section of traders. It is, therefore, immoral—and illegal—on their part to exploit the situation and milk the consumers. How do the traders account for the hike in cost of even those items that have not been imported from these two countries in the last eight months? We believe that the administration at the central as well as the local level should start monitoring the market strictly, instead of dispensing homilies to the traders and consumers. Dishonest traders must be brought to account and hoarding must be dealt with severely. At the planning level, all the steps of supply chain management should be strictly conformed to, to offset the consequences of supply disruption.

# Don't make women jump through the hoops

## Provide collateral-free loans to female entrepreneurs

DESPITE having a good track record of utilising bank loans and paying interests on time, women entrepreneurs in Bangladesh still have to circumvent various stumbling blocks while seeking loans from financing institutions. It is unfortunate that despite being important players in the overall economic growth of the country, neither the government nor financial institutions have taken effective initiatives to simplify the loan sanctioning process. For entrepreneurs and businesswomen to stand on their own feet, we need to remove the unnecessary hassle and encourage them to dream big—not be burdened by bureaucracy.

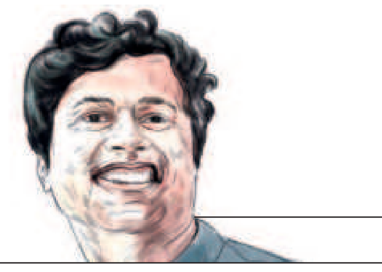
At a roundtable titled "Financial Inclusion for Women's Economic Empowerment," organised on the occasion of International Women's Day, women leaders and researchers asked the pertinent question: When thousands of crores of taka are plundered every year by male sharks, and bad loans are increasing at an alarming rate, why is it that women entrepreneurs have to meet stringent requirements to get loans of even small amounts?

Admittedly, the Bangladesh Bank in recent times has undertaken some positive initiatives to ensure financial inclusion of women. According to a circular issued by the central bank in 2019, 10 percent of the banks' total disbursements to the cottage, micro, small and medium entrepreneurs (CMSME) must be to women, and the percentage is to be raised to at least 15 percent by 2024. At the same time, the size of Bangladesh Bank's own source fund named "Small Enterprise Refinance Scheme" has been increased from Tk 850 crore to Tk 1,500 crore to include more women. Furthermore, to face financial challenges during the Covid-19 pandemic, the government declared stimulus packages of Tk 20,000 crore for the CMSME sector.

However, the latest Bangladesh Bank statistics show that women entrepreneurs received only 3.78 percent of the banks' total disbursements to CMSMEs. It is apparent that policies alone will not be enough to bridge the gap, when women are being barred from accessing the loans, because they lack the long list of official documents needed to be eligible for the loans.

Sociocultural constraints, patriarchal mindsets, lack of control over decision-making processes, and low digital-technology literacy are some of the reasons holding women back from financial inclusion. Giving due recognition to the fact that their collective contribution would largely boost the country's economy, the government should formulate time-befitting women-friendly financial policies. We believe that collateral-free bank loans, if introduced, would attract more women to start their own enterprises and become successful employers in the long run.

# Only reduced costs can end migrants' exploitation



**Shariful Hasan**
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SHARIFUL HASAN

REZAUL Mia from Tangail spent about Tk 4.5 lakh, which he acquired through a loan, to get a labourer's job in Saudi Arabia last year. He paid most of this money to the local intermediary who processed his recruitment. Rezaul earns less than Tk 25,000 per month, and he does not know when he will be able to finish paying off his debt.

There are more than 700,000 migrant Bangladeshi workers who can relate to Rezaul's situation. Every year, Bangladeshis leave home for abroad to change their destiny. Currently, there are over 10 million Bangladeshis working abroad. Every year, they send an estimated USD 20 billion in remittance, which is six times higher than the total foreign aid the country receives, and it constitutes at least eight percent of the GDP. Last year alone, they sent over USD 22 billion in remittance to Bangladesh.

Whenever I describe Bangladesh to foreigners, I tell them, "It is a country of 'EFG,' where 'E' stands for expatriate workers, 'F' for farmers, and 'G' for garment workers." Thanks to the migrants, Bangladesh now has a foreign exchange reserve of more than USD 43 billion. But despite these contributions, our migrant workers are exploited both at home and abroad. Most of the problems they face are linked with high migration costs.

According to the World Bank and International Organization for Migration (IOM), the cost of labour migration from Bangladesh is the highest in the world, but compared to that, the income of Bangladeshi migrant workers is the lowest. The Bangladesh Bureau of Statistics (BBS) conducted a large-scale survey on the cost of migration from Bangladesh in 2020, which revealed the same fact.

According to the BBS survey, male workers spend around Tk 4.71 lakh each on average, while female workers' recruitment costs Tk 1 lakh to migrate to their countries of employment. The report says Bangladeshi workers need nearly 18 months on average to recover their migration costs.

Why is the cost so high? Because of the recruiting agencies, middlemen, and fraudulent agencies who purchase and sell visas at high prices. The migration process in Bangladesh is still driven by middlemen, who charge hefty amounts for their services. Visa trading is also a common practice where several middlemen are involved in illegal selling and buying of work visas, ultimately increasing the cost of migration.

The problem is the same in the destination countries. Once migrant workers reach there, they often face harassment in different forms, such as inhumane workload, dire living conditions, exploitation or abuses because of the high migration costs.

**Our migrant workers enrich the state coffer by sending a huge amount of money back home, but at great personal costs.**

COLLAGE: **STAR**

**Despite their contributions to the economy, our migrant workers are exploited both at home and abroad—and most of the problems they face are linked with high migration costs.**

Though the government has fixed the migration cost for 14 countries at a maximum of Tk 1.66 lakh, in almost every case, job-seekers have to pay way more than that. According to the BBS report, the cost of migration to Singapore is Tk 5.74 lakh, Saudi Arabia Tk 4.36 lakh, Malaysia Tk 4.04 lakh, Qatar Tk 4.02 lakh, and Oman Tk 3.08 lakh.

The problem is so severe that Prime Minister Sheikh Hasina recently mentioned the high migration costs at a cabinet meeting and asked the relevant officials to deal with these issues and stop the exploitation of migrant workers.

How can the migration costs be reduced? Of course, awareness has a role to play, but first of all, the entire migration process must be digitalised. See, most of the recruiting agencies are in Dhaka. If a worker from Tangail wants to go abroad, he has to go to a middleman in his area. This needs to be addressed.

Registration on a digital platform can be a good alternative to middlemen. If anyone wants to go abroad, they would have to register, and the digital platform would create a functional database according to their skills. Then the agencies can hire potential migrants according to their skills listed in the database.

Of course, this is not a new idea. According to the Overseas Employment and Migrant Act, this should have been initiated in 2013. The recruiting agencies always complain that they don't find qualified workers from the database of the Bureau of Manpower, Employment and Training (BMET), so they have to depend on middlemen. BMET says it is currently trying to make a strong database through an app, and such a digitalisation process can reduce the migration cost.

On the other hand, those who are going abroad from Bangladesh are not very conscious, and they want to go at any cost. This practice is dangerous. Before going abroad, everyone should calculate how much money they can earn and what their migration cost is. The government, NGOs and other stakeholders can work together to make people aware of the risks and consequences before they decide to go abroad.

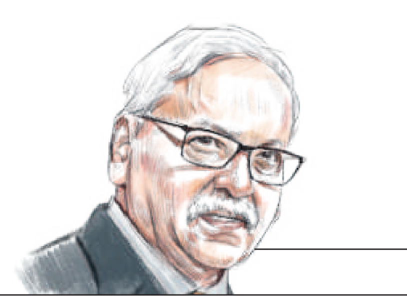
Another big reason for the high migration cost is unskilled labour. Potential migrants from Bangladesh are ready to pay much higher costs, rather than spend a little portion of that on skills training. Skills training must get priority. Particularly, after Covid-19 and due to the Fourth Industrial Revolution, there is a huge demand for skilled workers. We have to start preparing for that now.

To reduce migration costs, there is no alternative to strong government monitoring. The government can fix realistic migration costs. Migration costs are mostly divided into three parts. The first consists of various government fees, such as registration fees, welfare fees, smart card fees, etc. These costs are fixed no matter where the workers go. The second type of cost varies from country to country, such as visa fees, work permit fees, attestation fees, etc. The last part includes costs like airfare, which can always change.

However, for ethical recruitment, rather than fixating on the migration costs, we must also be vocal about employers' pay models. If there is a need for an employee, it is the responsibility of the employers to bear the recruitment costs. To establish this, negotiations need to take place globally.

Admittedly, there are many achievements in the country's migration sector, and the government has taken various positive initiatives. But there is still a long way to go, especially to reduce the migration costs, and it is never possible without all the stakeholders working together. We must understand that if the migration cost is not reduced, the problems that our migrant workers face will never end.

# Developing countries are leading climate actions



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SALEEMUL HUQ

THE Climate Vulnerable Forum (CVF) was launched over 10 years ago, by then President Mohamed Nasheed of the Maldives, and has been operating since then with a different head of government in charge of it for a two-year tenure.

The current chair of CVF is Prime Minister Sheikh Hasina of Bangladesh, whose term is scheduled to end later this year, and the president of Ghana will take over the position. However, Bangladesh's involvement with the CVF will continue for two more terms as a member of the governing troika of past chairs who continue to support the current head of the forum.

The CVF consisted of 48 member countries when Bangladesh took charge, and has now grown to include 55 developing countries after Prime Minister Sheikh Hasina led the group at the 26th Climate Change Conference (COP26) in Glasgow, Scotland last year.

Over the years, the CVF has become a leading group of countries tackling climate change, and has evolved from emphasising their vulnerability to highlighting their resilience. And now, under Bangladesh's leadership, it is focusing on climate prosperity with the development of Climate Prosperity Plans, and with Bangladesh set to release its Mujib Climate Prosperity Plan (MCPP).

Another major development that took place several years ago, under Philippines' leadership of the CVF, was the finance ministers of CVF countries banding together under the banner of V20 as, at that time, there were 20 member countries in the group. The V20 now consists of the finance ministers of all 55 CVF countries, chaired by the finance minister of Bangladesh.

One of the highly innovative actions taken by the CVF finance ministers was the creation of the CVF and V20 Joint Multi-Donor Fund, with an initial funding from the CVF countries themselves, and then further contributions from international foundations and the government of Germany. The fund is managed by the United Nations Office for Project Services (UNOPS) on behalf of the CVF and V20.

**Member states of the Climate Vulnerable Forum (CVF) have created their own fund to tackle the impacts of climate change.**

PHOTO: **COLLECTED**

The V20, with support from the fund, recently initiated a major programme with a 21-million-euro contribution from Germany to join the InsuResilience initiative to provide support for subsidised insurance premiums against climate impacts, and for better data gathering on climate hazards in the CVF countries. This will hopefully become a significant programme in tackling both adaptation and loss and damage from human-induced climate change.

Another, more recent development under the CVF and V20 Joint Multi-Donor Fund has been the beginning of a new funding window to support the communities suffering the climate impacts in CVF countries, and get support to address the impacts of climate change after they have occurred. As the world has now entered the new era of loss and damage, the CVF and V20 fund is now the first UN fund to explicitly work on climate-related loss and damage.

It is important to note that the finance ministers are not involved in the climate change negotiations under the United Nations Framework Convention on Climate Change (UNFCCC), but they have to seek the money needed to cope with climate disasters such as floods, cyclones and droughts. Hence, they are by now well aware of the adverse impacts of climate change in their respective countries. They have, therefore, agreed to set up their own loss and damage fund under the CVF and V20 fund—a programme of assistance to the victims of climate change that welcomes contributions from others in the spirit of solidarity, and without invoking any liability or compensation.

It is expected that this loss and damage fund and other programmes of the CVF and V20 can kick-start both funding and actions to address loss and damage from climate change, which might have a positive influence on the upcoming discussions on setting up a facility for financing loss and damage at COP27, set to be held in Egypt in November this year.