

## Don’t let rice hoarders get off scot-free

Price hikes despite the high yield of Boro rice totally unacceptable

WE'RE alarmed by the total lack of effect of ongoing government measures on the prices of rice, pulse, flour and other basic food items. The market, it appears, is totally out of control, and no amount of pleading, cajoling or warning seems to be enough to tame it. The continued hike in rice prices, even in the middle of the Boro harvest season, is particularly disturbing, not just because of the inexpressible pain it has caused. It also defies conventional logic for price hike being triggered by a domestic crisis or disruptions on the international market, thanks to the activities of unscrupulous traders and hoarders.

Lack of regulatory oversight has sparked a free-for-all of hoarding, as a recently launched drive of the government has shown. Reportedly, individuals and groups ranging from large business houses and small traders to even brick kilns owners and primary school teachers—who are not rice traders—are all taking advantage of the situation and stockpiling rice. As a result, prices of rice have increased by Tk 8-10 a kg over the last two weeks, despite there being an ample supply of paddy. According to the Trading Corporation of Bangladesh, the prices of coarse and fine rice increased by 5.38 percent and 3.17 percent in just a week.

The food minister on Wednesday named six major industrial groups—Square, Pran, City, Akij, Bashundhara and ACI—who he said were mainly to blame for hoarding and the consequent rise in prices, an allegation that the companies denied. These groups, he said, were found packing rice for sale at Tk 80-85 per kg after buying it at Tk 60-65 a kg in several districts. To punish the “syndicate” and keep the market stable, he added, the government is considering a move to restrict the sale of packaged rice and to boost rice import if necessary. Will that bring down the prices? Frankly, at this point, citizens aren't interested in the nitty-gritty of government plans. They want to see quick and decisive action that will lead to results.

There is no doubt that controlling fuel and food prices will be the biggest challenge in the 2022-23 fiscal year. Every year, special attention is given to the development of the agricultural sector in the budget, and this year will be no exception. But the simultaneous dependence on import for major food grains, however justified by the current situation, may create a long-term crisis amid the continued volatility of the international market. The upcoming budget should, therefore, increase the benefits for domestic food production so that we're not easily thrown off balance by international pricing trends. The government should also urgently check hoarding practices and punish those found to be involved.

## Children need proper support to recover from pandemic

Learning recovery and mental health should be priorities

IT is clear by now that the two years of the Covid-19 pandemic have left deep scars in various sectors including education. School-age children were especially vulnerable, as they found themselves trapped within the four walls having no idea how to cope with the closure of schools, the unfamiliar experience of distant learning or the grim stories of deaths and sufferings caused by the virus every day. They could hardly share the anguish they suffered in their minds. Many children have even gone through the trauma of witnessing deaths of their loved ones. All this was bound to have profound effects on their mental health and educational prospects.

In recent times, educationists, researchers, and psychologists have sought to address the multidimensional effects of the pandemic on children, including girls in rural areas who were particularly vulnerable, and how those may affect their future life trajectories. They stressed that while some of the scars will be healed soon, others will take a longer time needing psychological counselling at home and in schools. A recently published study on adolescent girls' vulnerabilities, conducted by Brac Institute of Governance and Development (BIGD) and supported by the British High Commission and German Embassy, shows that children had to handle lowered educational aspirations, poorer psychosocial well-being, increased familial restrictions and controls imposed over social relations.

Researchers, using statistics drawn from household surveys, tell us that tackling economic hardship during the lockdown period was a major concern in almost every household, as a result of which adults and adolescents had to suffer equally as they worried about their future. Many adolescent boys had to work to supplement their family income by leaving schools. Many parents arranged marriages for their underage daughters, which is likely to narrow their life prospects among other harmful effects. Many had to suffer domestic violence. There were also concerns about the quality of education received, for those who were fortunate to receive it. All this shows the importance of the continuity of classroom education in schools, where children have the means to play and intermingle after classes.

Children's mental wellbeing is particularly important as they try to recover from the fallout of the pandemic. It needs greater policy attention, while tackling economic distress in their families, ensuring learning recovery and setting schools as a socialisation platform should also be a priority. We urge the authorities to integrate these issues into their recovery plans for the schoolchildren.

# Reading into the recent speeches of the US ambassador



### THE THIRD VIEW

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MAHFUZ ANAM

THERE was a time when the US government left no stone unturned to oust the government of President Nicolas Maduro in Venezuela. For years, a vicious propaganda was mounted against that government, sanctions were imposed, international financial links were cut, countries that would buy Venezuela's oil were reminded of consequences, and a campaign to isolate it was set afoot. Perhaps the most controversial and decisive move was the US', followed by others', recognition of an alternative government formed by a little-known opposition leader, Juan Guaido, as the legitimate government of Venezuela. In what amounts to an about-turn, the Associated Press reported on May 17, 2022 that the US would ease sanctions to revive links with Madura government and allow Chevron to deal with the state-owned oil and gas company PDVSA—obviously, to tackle the energy crisis caused by the Ukraine war and the accompanying sanctions and embargo on Russian oil and gas.

It is not for us to comment on what policies the US government should pursue for its own interests. They are their own best judge and have the sovereign authority to do so. So why does it become such a big deal when we do the same?

The US Ambassador to Bangladesh, Peter Haas, speaking to the Diplomatic Correspondents Association, Bangladesh (DCAB) on Tuesday, said, “The United States has decided to put human rights, the issues of freedom of press at the centre of our foreign policy and we make no excuses about that.” What he means is that the US will not accept any excuses on these counts. What about human rights and press freedom in Saudi Arabia, a long-time US ally, and Turkey, a Nato member?

Whenever, nationally or internationally, somebody roots for the free press, we journalists cheer. So the US support for free media here in Bangladesh is music to our ears. However, we cannot forget that presidential candidate Donald Trump, in an interview with Scott Pelley on *60 Minutes* in 2015, commented, “Journalists are among the worst people I know.” After assuming power, in a Tweet, he termed the news media “the enemy of the American people” (February 17, 2017). He thrashed every independent media in the country while in power and only eulogised Fox News, which, compared to all the serious and highly respected US media outlets,



▲ US Ambassador to Bangladesh Peter Haas

PHOTO: US EMBASSY IN DHAKA

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spews hatred, racism, divisiveness and misinformation. So, we think it is a fair question to ask: Would Ambassador Haas have said the same thing if he was representing Trump's administration and not President Biden's? Today, Trump's return in the next election is not ruled out. So, if it does happen—God forbid—then would the US follow the same policy on free press? Are we to believe that

supporting free press in Bangladesh is the Biden administration's policy, and that it may change with the change of guards in the White House? Are we expected to tailor our internal policies to suit that of the US administration of the day?

Coming to free and fair elections, we definitely want it and are delighted to know that the US wants it, too. But how will the US judge how free and fair an election has been?

According to the US media, the majority of Republicans believe, even after nearly two years and numerous court pronouncements as to its authenticity, that the last election was stolen from them and that their candidate, Donald Trump, had actually won it. This is after a totally free and fair election was held in the US. So, suppose we hold a free and fair election, and the party that loses claims that the election was stolen from them. How will Ambassador Haas judge the outcome?

I have read very carefully Ambassador Haas' recent speeches delivered on March 31, April 24, May 10, 24 and 31, and found a lot to chew on and think about. What perhaps brings the US geostrategic thinking home to us is evidenced in his speech at an international conference titled “Moving Forward in the Indo-Pacific,” held on March 31 at Independent University, Bangladesh. Ambassador Haas spelt out five key elements of the

US' Indo-Pacific Strategy as “free and open, connected, prosperous, secure, and resilient.” On the face of it, we have no problem with these key elements. It is in their elaboration where the real story lies. When the US ambassador says, “The people of the Indo-Pacific also want democracy and for their human rights to be respected,” and when he further states, “We will bolster Indo-Pacific security... threats are evolving. Our security approach must evolve with them,” which country he is talking about should not escape us. Howsoever worded, the elephant in the room is China, and we would be extremely naive not to understand it.

Ever since opening up with China in 1971, the US-China relationship developed to become a crucial aspect of global stability and significantly contributed to worldwide prosperity, with the highest number of humans freed from the shackles of poverty. Since China was following the market economy and allowed foreign investment, especially from the US, the latter may have thought that, over time, China would dilute its centralised economic structure and become more a part of the capitalist world. Seeing that it is not happening, and becoming fearful of China's economic prowess and strides in technology, AI, biotechnology, etc, the US has decided—publicly from the time of President Trump—to take China on fully and is now busy galvanising global and regional support behind it. South Asia, with the specific rivalry between India and China, provides the US a fertile ground to consolidate its anti-China approach, now galvanised into the fast lane with Russia's invasion of Ukraine.

It is this fast-moving and dangerously confrontational world that Bangladesh must navigate. Prime Minister Sheikh Hasina did a highly creditable job of taking our relationship with India to greater heights, and at the same time allowing Chinese investments in important sectors. This policy has benefited us enormously. India, in spite of its own issues, has not allowed the exogenous forces to determine its relations with China. Their bilateral trade grew a whopping 43.3 percent in 2021, reaching a total of USD 125.7 billion.

However we look at it, the Indo-Pacific Strategy of the US has profound implications for Asia, South Asia, and for us in Bangladesh. We welcome all possibilities of improving our relations with the US, and we are determined to explore every possibility to take our bilateral relations to greater heights. However, we should be very conscious of what it entails in terms of our relations with other countries in the region and beyond. As our prime minister said, “Asian countries have common development challenges and should face them collectively,”—and not divisively.

### PROJECT ■ SYNDICATE

## Getting Deglobalisation Right



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JOSEPH E STIGLITZ

THE World Economic Forum's (WEF) first meeting in more than two years was markedly different from the many previous Davos conferences that I have attended since 1995. It was not just that the bright snow and clear skies of January were replaced by bare ski slopes and a gloomy May drizzle. Rather, it was that a forum traditionally committed to championing globalisation was primarily concerned with globalisation's failures: broken supply chains, food- and energy-price inflation, and an intellectual property (IP) regime that left billions without Covid-19 vaccines just so that a few drug companies could earn billions in extra profits.

Among the proposed responses to these problems are to “reshore” or “friend-shore” production and to enact “industrial policies to increase country capacities to produce.” Gone are the days when everyone seemed to be working for a world without borders; suddenly, everyone recognises that at least some national borders are key to economic development and security.

For one-time advocates of unfettered globalisation, this *volte face* has resulted in cognitive dissonance, because the new suite of policy proposals implies that long-standing rules of the international trading system will be bent or broken. Unable to reconcile friend-shoring with the principle of free and non-discriminatory trade, most of the business and political leaders at Davos resorted to platitudes. There was

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little soul-searching about how and why things have gone so wrong, or about the flawed, hyper-optimistic reasoning that prevailed during globalisation's heyday.

Of course, the problem is not just globalisation. Our entire market economy has shown a lack of resilience. We essentially built cars without spare tires—knocking a few dollars off the price today while paying little mind to future exigencies. Just-in-time inventory systems were marvellous innovations as long as the economy faced only minor perturbations; but they were a disaster in the face of Covid shutdowns, creating supply-shortage cascades (such as when a dearth of microchips led to a dearth of new cars).

As Adam Smith recognised in the 18th century, capitalism is not a self-sustaining system, because there is a natural tendency towards monopoly. However, since US President Ronald Reagan and British Prime Minister Margaret Thatcher ushered in the era of “deregulation,” increasing market concentration has become the norm, and not just in high-profile sectors like e-commerce and social media. The disastrous shortage of baby formula in the US this spring was itself the result of monopolisation. After Abbott was forced to suspend production over safety concerns, Americans soon realised that just one company accounts for almost half of the US supply.

The political ramifications of globalisation's failures were also on full display at Davos this year. When Russia invaded Ukraine, the Kremlin was immediately and almost universally condemned. But three months later, emerging markets and developing countries (EMDCs) have adopted more ambiguous positions. Many point to America's hypocrisy in demanding accountability for Russia's aggression, when it invaded Iraq under false pretences in 2003.

EMDCs also emphasise the more recent

history of vaccine nationalism by Europe and the US, which has been sustained through World Trade Organization (WTO) IP provisions that were foisted on them 30 years ago. And it is the EMDCs that are now bearing the brunt of higher food and energy prices. Combined with historical injustices, these recent developments have discredited Western advocacy of democracy and international rule of law.

The best way forward for the US would be to show greater solidarity with the EMDCs by helping them to manage the surging costs of food and energy. This could be done by reallocating rich countries' special drawing rights (the International Monetary Fund's reserve asset), and by supporting a strong Covid IP waiver at the WTO.

Moreover, high food and energy prices are likely to cause debt crises in many poor countries, further compounding the tragic inequities of the pandemic. If the US and Europe want to show real global leadership, they will stop siding with the big banks and creditors that enticed countries to take on more debt than they could bear.

After four decades of championing globalisation, it is clear that the Davos crowd mismanaged things. It promised prosperity for developed and developing countries alike. But while corporate giants in the Global North grew rich, processes that could have made everyone better off instead made enemies everywhere. “Trickle-down economics,” the claim that enriching the wealthy would automatically benefit all, was a swindle—an idea that had neither theory nor evidence behind it.

This year's Davos meeting was a missed opportunity. It could have been an occasion for serious reflection on the decisions and policies that brought the world to where it is today. Now that globalisation has peaked, we can only hope that we do better at managing its decline than we did at managing its rise.