

# Ramp up relief efforts in flood-hit areas

## Victims are let down by insufficient aid, slow pace of efforts

WE'RE alarmed by dire reports coming from the flooded north where cries for emergency relief are getting louder amid insufficient aid and slow relief efforts. People in many villages are still stranded, without access to relief, and living in a state of near-starvation. Many, desperate for food, reached out to nearby shelter centres and Union Parishad offices; some got help, some were turned away. The desperation for relief is such that a man in Sylhet died on Tuesday after being injured while jostling for airdropped relief supplies. In Sunamganj, an elderly woman said her family has been drinking floodwater, because of the scarcity of fresh water.

The situation is said to be equally bad across the region. Around 45 lakh people, in all the flood-hit areas combined, have been reportedly affected, and at least 4.04 lakh of them have taken refuge in 1,474 shelters. So far, a total of Tk 2.95 crore, 1,952 tonnes of rice and around 30,000 packets of dry food have been allocated for them. Data shows that, upon distribution, each victim will receive only 0.44 kg rice and Tk 6.55. If the relief is for only those in the shelters, each person will get 4.88 kg rice and Tk 73.75. Even if the Tk 1.2 crore fund added by the PM is counted, this is still a ridiculously small allocation for such a vast number of victims.

Reaching the hardest hit remains an issue, especially in remote areas, but the bigger problem right now is of the lack of preparedness, which is inexcusable at this stage. This is a many-faced disaster, and nothing short of judicious planning coupled with proper allocation of cash and resources will be enough to tackle it. Already, some 41 individuals have been reported to have died in the flood-hit areas, due to drowning, landslides, electrocution and snake bites. As well as the crisis of food and water, survivors, who are mostly farmers or labourers, have to deal with the loss of crops, damage to their property and even water-borne diseases.

We need to prepare better, and quickly, for these problems. But we must first build up a hefty emergency relief fund that will cover all the areas affected, including the northern, north-eastern and north-western districts where flooding still continues or is about to get worse. Not enough money for emergency relief? The government must know that the cost of it will be borne by the people in one way or another. So it must allocate more money and relief goods and ensure their quick and efficient use. It must also prepare for the coming days, when water recedes, because post-flood recovery can be equally daunting.

# Stop smuggling of unrefined edible oil

## Authorities must be careful as illegal sale of oil may upset market

SMUGGLING of imported goods from mother ships stationed at the outer anchorage of Chattogram port is said to be a regular phenomenon. With the help of unscrupulous ship crew, port staff and security personnel, organised local groups perpetrate such crimes, causing much harm to the importers. Though piracy and armed robbery on ships at the outer anchorage are not that frequent, smuggling of goods continues on a regular basis.

One such story, published by this daily recently, shows how a powerful syndicate has been smuggling unrefined edible oil from mother vessels. It describes the seizure of a lighter vessel carrying 11,000 litres of unrefined edible oil by the river police, as well as the arrest of 12 individuals who failed to produce any valid documents for the cargo. Police said the value of the seized oil is about Tk 8.80 lakh. Smuggling operations like this are usually carried out by powerful godfathers who work from behind the curtain and manage to remain outside the police dragnet.

One such godfather, Harunur Rashid (42), has been reportedly leading the syndicate of smugglers for a long time, yet no step has been taken against him by the law enforcers. Apparently, emboldened by his connections with powerful quarters, he has been using his own vessel to smuggle oil to different points of Karnaphuli River and sell in the open market. Reportedly, although Harun was accused in a smuggling case filed with the Patenga Police Station in February, he has been roaming freely since, and even attended political programmes.

Smugglers do not have to pay any import duty or VAT for the open market sale of smuggled goods. But importers have to pay duties before bringing their merchandise through legal channels. The edible oil market has seen many ups and downs in recent months, with its prices frequently going up, compounding the suffering of ordinary customers. We have witnessed the imposition of hefty fines and even arrest of warehouse owners for hoarding huge quantities of edible oil. In such a volatile market condition, one can imagine how the smuggled oil would contribute to further upsetting the market.

Smuggling is a crime, of course, but open market sale of smuggled goods is potentially detrimental to the normal functioning of a country's economy. Therefore, we expect the authorities to take immediate actions against the syndicates involved in such criminal activities.

# How can the WTO help its ‘weaker’ members?



## MACRO MIRROR

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

FAHMIDA KHATUN

THE 12th Ministerial Conference (MC12) of the World Trade Organization (WTO) finally took place during June 12-16, 2022 after being cancelled twice due to the Covid-19 pandemic. The MC12 was held at a time of unprecedented global economic downturn.

Prior to the MC12, the Director General of the WTO, Okonjo-Iweala, put forward five possible deliverables for MC12. These are: (i) food security and agriculture; (ii) a fisheries subsidies agreement; (iii) WTO's response to emergencies, including a waiver of certain requirements concerning compulsory licensing for Covid-19 vaccines; (iv) a decision on extending or discontinuing the current moratorium on levying customs duties on electronic transmissions; and (v) WTO reforms.

The WTO has termed the outcome of the MC12 successful, saying that the organisation has secured multilaterally negotiated outcomes on some key trade issues. The "Geneva package" confirms the historical importance of the multilateral trading system and underlines the important role of the WTO in addressing the world's most pressing issues, especially at a time when global solutions are critical.

For least developed countries (LDCs) and developing countries, the Geneva package is a mixed bag. Of course the MC12 is a success, since the past several ministerial meetings failed to conclude any significant agreements. Despite agreements on a few key trade initiatives by 164 member countries of the WTO, the MC12 declaration provides a compromised outcome on some areas.

Food security and agriculture has been the topmost agenda for LDCs and developing countries, particularly in the context of high food prices. More than 80 developing countries were trying to secure a permanent solution to the problem of public stock for protecting farmers' rights and for expanding food security programmes by giving out higher support to farmers. Developed countries wanted to take up the issue in the MC13. The MC12 declaration states that the WTO members recognise the need for adequate food stocks that can contribute to domestic food security and encourage WTO members to release their available surplus on international markets, following the WTO rules. Poor countries, which are disproportionately being affected by the food price hike, are expected to benefit from this measure.

Another important outcome of the MC12 is the agreement on fisheries. This agreement was being negotiated for the last two decades or so. The objective of the negotiation on fisheries subsidies was to reduce and eliminate subsidies and other practices in fishing which led to overcapacity and overfishing. The agreement recognises the appropriate and effective special and differential treatment



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date of entry, to implement this agreement. However, during the negotiating phase, there was a lack of consensus on fisheries subsidies. Developing countries asked for a 25-year transition period for subsidies. The argument is based on the reality that the interests of these countries' fishermen should be protected. They sought a fair, balanced and just outcome on fisheries subsidies for the future of their fishing industries. LDCs and developing countries do not operate large fleets and their fisheries sectors are mostly small-scale and consist of poor fishing communities.

The third issue is the waiver on the agreement on Trade Related Intellectual Property Rights (TRIPS). India and South Africa made a submission to the Council of TRIPS on October 2, 2020 requesting a temporary "waiver from certain provisions of the TRIPS Agreement for the prevention, containment and treatment of Covid-19." The US was in favour of waiver of patent rights only for Covid vaccines, while several developed countries were against this. The MC12 decision offers a patent waiver for manufacturing Covid vaccines. The waiver does not apply to diagnostics and therapeutics. However, a decision on that will be taken in six months. This decision on patent waiver will last for five years.

Fourth is the issue of the extension of the moratorium on custom duties on e-commerce. Developing countries have been opposing the moratorium and have requested for its withdrawal. The General Council of the WTO established Work Programme on E-commerce in 1998. At

revenue. Hence, they have been opposing any permanent moratorium on custom duties on electronic transmissions. The MC12 agreed on maintaining the current practice of not imposing custom duties on electronic transmissions until the next WTO ministerial conference.

The fifth issue is about WTO reform. Since the WTO works on the principle of the consensus of all its members, it has been very difficult to arrive at decisions during most of its journey since 1995. However, one has to agree that the WTO has successfully provided a framework of trade rules which provides predictability for commercial transactions across borders. It has also provided a platform for amicably settling trade disputes.

On the other hand, this rules-based system has been in crisis for quite some time. The Doha round, launched in 2001, is yet to be completed due to opposition from various blocs. The global financial meltdown of 2008, the ongoing economic crisis in view of the Covid-19 pandemic and the Russia-Ukraine war have given rise to protectionist measures. The role of the WTO and other global institutions has been undermined by their powerful members. However, the WTO is an important public good and it should be strengthened and protected. As for a WTO reform, it should uphold its foundational principles, which is to take decision by consensus and protect the interests of LDCs and poor countries through special and differential treatment provisions.

# Inflation, globalisation, and localisation



Debra Efroymsen is the executive director of the Institute of Wellbeing, Bangladesh, and author of "Beyond Apologies: Defining and Achieving an Economics of Wellbeing."

DEBRA EFROYMSON

IT is difficult these days to go anywhere or do anything without thinking or hearing about inflation – what is less obvious is what to do about it. As the price of food, petrol, housing, and just about everything else continues to rise dramatically while salaries fail to follow suit, people are suffering. The problem of dramatically rising prices is not limited to Bangladesh. In the Americas, Europe, Africa, and across Asia, people are struggling to pay for rent, food, and other necessities. According to the United Nations, global inflation is on track to increase to 6.7 percent in 2022, twice the average of 2.9 percent during the previous decade.

There is much speculation about the causes of inflation, including fiscal policy, oil prices, the war in Ukraine, Covid-related supply issues, and corporate greed. Since most of what people consume is produced and transported with fuel, the price of oil affects the price of just about everything else.

No doubt global inflation is due to various causes. But given the fact that inflation is global, and that some of the causes have to do with international trade, it may be worth considering the possibility

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that globalisation itself is a cause of inflation. Consider the case of corporate monopolies: without competition, there is no need to keep prices low. And various products are becoming more and more concentrated in the hands of a few corporations. Consider also global trade, wherein some countries export and import nearly the same amount of the same product, be it wheat or beef or vegetables. Shipping products around the world is expensive, more so as oil prices rise. It is the very definition of unsustainable. And it is mandated under global trade agreements.

Imagine instead a very different situation. One in which countries attempted to meet more of their needs locally, and where global trade was restricted to cases where it is necessary rather than mandated. Wherein most food, even in cities, is grown close to the consumers, and people's diet consists mostly of locally available, seasonal items. Where the focus is no longer on traveling as far and fast as possible, on spreading global networks, on foreign exchange and foreign direct investment, but rather on building strong, resilient local economies. Where, when the price of petrol continues to climb, governments shift from providing roads to building bicycle networks and bicycle highways, and to improving conditions for public transit and walking.

Where, rather than being obsessed by all that is foreign, people take pride in what is local.

This is not to say that globalisation brings no benefits. Most of us during Covid-19 have benefited from global communication networks. The global

exchange of information and ideas is often fruitful. But the increasingly globalised world economy is too fragile, too liable to cause suffering throughout the planet when a crisis – like Russia's invasion of Ukraine – occurs.

Local Futures, and its partner organisations around the world (including here in Bangladesh) envision a future that is genuinely sustainable, in which thriving economies need not decimate nature or contribute to dangerous climate emissions. A future where the focus is not on constant growth in the supply of unnecessary stuff but rather on having enough of what people need, and sourcing it, as much as possible, close to home.

In order to share its vision of an economics of happiness, Local Futures celebrates World Localisation Day each year on June 21. While the concept of localisation is always relevant, it is more relevant than ever as we face the crisis of inflation on top of other crises: Climate, environmental destruction, species extinction, pollution, and the ongoing slaughter on our roads, to name a few.

There are solutions to the problems we face, and the best solutions are those that resolve multiple problems simultaneously rather than attempting to tackle problems individually, too often contributing to a new problem while trying to resolve an existing one. A focus on the local would not only help address the epidemic of inflation, but help reduce those other problems. A vastly better alternative to inflation, environmental devastation, and other global and local problems exists – if only we have the courage to pursue it.