

## Another spell of flooding can upend life in north

### Govt must reduce present and future sufferings in the region

WE'RE worried about the possibility of a second spell of flooding in northern and northeastern districts within less than a month of the first, which itself came on the heels of a flash flood in May. The possibility has been raised with floodwater in the haor region not receding as expected, and major rivers swelling again amid torrential rain and onrush of water from the upstream. A number of low-lying villages have been inundated again. This has dashed hopes of an early recovery. More worryingly, survivors now have to brace for another cold, lonely fight even while going through the painful aftermath of what has been the most devastating flood in recent years.

The frightening regularity and intensity with which we're being hit by floods should worry the policymakers. There are short-term challenges and long-term needs, both of which need to be handled with care. In the short term, they will have to deal with the shortage of food and relief. According to the local office of the United Nations, as much as Tk 545 crore will be needed to provide humanitarian support including relief and rehabilitation for flood victims. By contrast, the government's own response has been shockingly inadequate, having mobilised only Tk 4.67 crore and 3,720 tonnes of rice as of June 26, according to another estimate. This calls for a major shakeup of its policies.

Apart from access to food, drinking water and medicine, the fallout from floods has also been felt in the provision of utilities, in health, education as well as major income-generating sectors, with vast areas of arable land and fisheries damaged. Across the country, it has been felt in the kitchen markets. All this requires urgent attention, too.

The long-term priority, no less urgent, is to address continued flooding. Experts have identified three major reasons for it: 1) construction of unplanned infrastructure including roads, sluice gates, and dams; 2) loss of river navigability; and 3) filling-up of haor areas. Floods brought on by heavy rains and onrush of water from the upstream cannot subsist because of these barriers, which calls for a major rethinking of haor management. Without improving the water retention capacity of haors and the navigability of connecting rivers, we cannot prevent a recurrence of what one expert rightly termed "waterlogged flooding".

Although the government has sounded no alarm yet over the possibility of another flood, residents are already feeling the brunt of it. So far, the government's response to the flood indicated no sense of urgency, even after the massive suffering caused and the deaths of so many. This is really unfortunate. We urge the authorities to do everything necessary to reduce present and future suffering from the floods.

## How long will poor execution of projects be tolerated?

### Such projects are enabling corruption and incompetence

COST overruns and delays in implementing projects go hand in hand in Bangladesh. We seem to have become quite adept at putting obstacles in the way of public projects, and then coming up with all sorts of excuses to justify it. There is already a rich legacy of such projects going back and forth on the drawing board for multiple revisions. So when the minister of planning laments that a lack of good governance is undermining the potential of public infrastructure projects (PIPs), despite huge investments made in them by the government, we are not taken by surprise.

The government is clearly placing high priority on the development of infrastructure in the country. But it will not deliver expected outcomes if project planners, directors and other stakeholders do not come out of this culture of time and cost overruns. Often, it is seen that a project starts to flounder right from the start, with inaccurate plans and designs, triggering a chain of disruptive sequences that continue until the very end. Such poor management of PIPs is frequently by design, enabling corruption, and frequently because of incompetence. Projects executed in such a way are more likely to negatively affect the expected results as well as the return on investment.

The continuation of this situation is unfortunate, to say the least. A negative return on investment is not the only casualty of such a situation. It is also draining Bangladesh of valuable local and foreign currency. There are bigger concerns as well. As an expert rightly pointed out at the event, physical, social and digital infrastructures will play a critical role in facilitating Bangladesh's graduation from a Least Developed Country to a Developing Country. Infrastructure is related, in varying degrees, to 72 percent of all the targets in the UN's Sustainable Development Goals (SDG). It's also related to the targets of our 8th Five-Year Plan and Vision 2041. As such, how we perform in executing our infrastructure projects will hugely impact our future trajectory as a nation.

This is why good governance in PIP implementation is so essential. It will not only accelerate growth and help meet those targets, but will also reduce the cost of public service and maximise productive use of our limited resources. The prime minister, on several occasions, expressed her dissatisfaction over the current state of affairs. It's time the authorities translated expressed urgency into actual, systemic reforms that will hugely benefit the nation.

# What made the dollar crisis worse?



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ONE dollar now costs almost Tk 100. The taka has been losing its value against the US dollar for months, with no signs of it changing. The collapse of the value of the taka or the exchange rate, which tells us the amount of US dollar one unit of taka can buy, has been causing further panic in the foreign currency market. When the price of the dollar increases, taka becomes cheaper, making import payments greater than before, and leading to inflation through the import channel. It signals macro instability.

Though exports and remittances are encouraged by a weaker taka, it doesn't necessarily mean they would rise enough to offset the increase in import bills. And that has been happening in Bangladesh in recent months, making current account deficits worse than before. It will eventually erode foreign reserves, which has already decreased by USD 7 billion since August 2021, giving rise to the possibility of a financial crisis if the trend continues.

To understand how to prevent the dollar drain from Bangladesh, we need to first understand what caused the price hike of the dollar in the first place. Defective policymaking is at the root of it. And the taka will collapse further, either now or in the immediate future, unless the faulty method of fixing the exchange rate by the central bank is corrected or disbanded for good. Even after committing to a floating exchange rate since 2003, Bangladesh Bank (BB) kept on heavily fixing the exchange rate. This decision was taken not because of any research findings, but because of political preferences. That is not how economics works.

A simple regression over 2003-2013 would suggest a Tk 2 increase in the dollar's value every year, making the dollar's price Tk 98 or so – which is close to the current market price. Had BB followed an econometric model to make the change monthly, we wouldn't have faced this sudden shock and the ensuing volatility in the whole financial market.

The question may arise: Why do we need to devalue the taka every year against the dollar? It is in our best interest to do so because we need to



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maintain a steady path of the real exchange rate index, so we don't lose export competitiveness and remittance inflow through the banking channel. Since Bangladesh's inflation is at least 3-5 percentage points higher than US inflation, the taka must lose its value against the dollar accordingly to do justice to exporters, remitters, the country's

policies from BB and the finance ministry.

That said, other reasons have also contributed to the dollar crisis. Illicit financial transfers amounting to almost USD 8 billion per year, as the World Bank estimates, are destabilising the market. Over-invoicing by importers and under-invoicing by exporters seem to be rampant – even though the official data

balance of payment, and finally, its foreign reserves.

The index of the real effective exchange rate was 100 in 2016, and it tiptoed up to 115 by October 2020. That wouldn't have happened had BB paid attention to the math. BB kept taka's value artificially high for six years, hurting exports and remittances. The finance ministry stepped in to fight the disease of anaemic performance in remittance and invented a vitamin tablet in the form of "incentives". However, a correct exchange rate doesn't require any frills. These patchy solutions ignore demand and supply forces.

Both BB and the finance ministry were wrong in predicting the exchange rate and kept dollar's value forcibly depressed. Remittances and exports performed worse than imports. The current account balance, which was in an impressive position for 14 years since the early 2000s, started declining since FY2016, proving that giving incentives was not the right solution. Foreign reserves remained in the doldrums for three years since 2016. Thus, BB got enough signals to correct the exchange rate by devaluing the taka, but it didn't. The recent volatility and dollar crisis are nothing but the results of wrong

are hard to collect.

The recent move by the finance minister to validate laundered money has not only placed a stain on the budget, but has also emboldened the asset traffickers more than ever before. Money that has landed overseas won't come back. Rather, new launderers will join the queue. They will find it rewarding to hoard more dollars and smuggle them overseas whenever possible.

The finance minister also predicted that capital flight will get reversed just because foreign inflation is high. That's incorrect. Foreign inflation figures, such as US inflation of 8.5 percent, may look higher than Bangladesh's 6 percent – but Bangladesh Bureau of Statistics (BBS) figures are particularly inaccurate for inflation and unemployment.

Despite facing the great financial crisis of 2008-2009, the US experienced a huge inflow of foreign funds, which Ben Bernanke, the Fed chair, termed as the "saving glut". The Fed is raising policy rates desperately to curb inflation, and it will make the dollar stronger globally. If BB fails to grasp this new development in determining the exchange rate, the dollar crisis will move from bad to worse.

# Exposing disinformation is a crime in Modi's India



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IN early 2017, when I was mulling over launching BD FactCheck – the first fact-checking initiative in Bangladesh – we looked for who else in the region was already working in this field. We came to know about two people: Pratik Sinha and Mohammed Zubair. They co-founded Alt News, one of the first ventures in South Asia that dedicates itself to countering disinformation and exposing the actors behind it. Since then, the fact-checking organisation's relentless fight against political misinformation never ceased to amaze me and many others. Zubair and Pratik's dedication inspired many fact-checkers in and outside India to carry on with the thankless job.

On June 27, we woke up to the news that Mohammed Zubair had been arrested by Delhi police based on a complaint from a Twitter user claiming that one of Zubair's tweets had hurt their Hindu religious sentiments, an accusation that was termed as "trumped-up" by critics.

The arrest of Alt News' co-founder earned sharp responses from different quarters in India and around the world. Pointing towards the divisive politics of the ruling Hindu nationalist Bharatiya Janata Party (BJP), the Editors Guild of India (EGI) said in a statement that it was "apparent that Alt News's alert vigilance was resented by those who use disinformation as a tool to polarise the society and rake nationalist sentiments."

Rahul Gandhi, former president of opposition party the Indian National Congress, said that Mohammed Zubair

**During an interview with a right-leaning news outlet, Sharma herself held Zubair responsible for what happened to her. For the BJP, that was enough of a blow from a journalist they had to encounter almost regularly.**

had been targeted for his role in exposing the BJP's hate, bigotry and lies. "Arresting one voice of truth will only give rise to a thousand more. The truth always triumphs over tyranny," he tweeted.

UN Secretary-General Antonio Guterres' spokesman Stephane Dujarric responded to Zubair's arrest by saying, "Journalists should not be jailed for what they write, tweet and say."

Looking at the recent years' record in the world's largest democracy, the move to arrest Zubair should not come as a surprise at all. Alongside India's gradual shift towards right-wing populism, the space for free speech has been shrinking for about a decade in the country that is being ruled by Narendra Modi, a permanent member of the RSS (Rashtriya Swayamsevak Sangh) since 2014.

Newsmen across India have been increasingly targeted in different forms for what they do. According to the Committee to Protect Journalists (CPJ), 2021 was one of the deadliest years for Indian journalists in the past decade, with six killed between 2021 and 2022.

The Global Press Freedom Index, which is published by Reporters Without Borders (RSF), ranked India 150th among 180 countries. The organisation has cited "violence against journalists" in India as one of the reasons for the declining press freedom in the country.

In March this year, Rana Ayyub, one of the most prominent faces of India's journalism industry and a Modi critic, was barred from leaving the country as she was flying to Europe to speak about the intimidation and repression that Indian journalists faced. Multiple cases were filed against Ayyub to prevent her from speaking out.

In such an adverse situation, Mohammed Zubair was committed to exercising his right as a journalist and as a citizen, and kept exposing the actors who regularly spread hate and misinformation targeting the minority communities in

India, especially the Muslims.

Alongside fact-checking, Zubair also monitored hate speech against the minorities in the Hindu-majority nation. One of his recent tweets highlighting the controversial remarks made by Nupur Sharma, a spokesperson for the governing BJP, about Prophet Muhammad during a televised debate, was widely shared and led several Muslim countries to lodge strong protests with India. The BJP had to suspend Sharma from her post to appease some of India's Muslim allies in the Gulf. Later, during an interview with a right-leaning news outlet, Sharma herself held Zubair responsible for what happened to her.

For the BJP, that was enough of a blow from a journalist they had to encounter almost regularly. A barrage of hate and threats were unleashed against Zubair by an IT cell that boasts of having hundreds of thousands of online trolls and activists. A number of cases were also filed against him, and ultimately, he was arrested to stop what he does – exposing the campaigns of hatred and disinformation targeting the minorities led by actors close to the ruling party.

On June 13, India signed a joint statement at the G7 Summit to protect "freedom of expression, both online and offline, as a freedom that safeguards democracy and helps people live free from fear and oppression." But Zubair's arrest and the record of previous years tell a different story. In Modi's India, exercising one's freedom of speech to criticise the ruling elites and exposing the disinformation propagated by the right-wing demagogues are deemed as crimes. Suppressing the fact-checkers will only help to deteriorate the already polluted online information ecosystem in a polarised nation like India, and that will bring more chaos. The only way out of this is for the sane voices within the country to step forward to push back against their government's reckless actions.