

The Daily Star

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Project to reduce corruption drowns in corruption!

Country needs a National Household Database that works

WE'RE appalled to learn that after being eight years in the making, and having spent Tk 727 crore of public money, the upcoming National Household Database is set to be a big failure, as per a report by the Implementation Monitoring and Evaluation Division (IMED). The amount of money that has been spent on the project is enormous. And the amount of additional money that will likely be wasted as a result of it being a failure is even higher. For example, this year's safety net allocation of Tk 113,576 crore is supposed to be disbursed by using this database, which, according to the IMED, is "unusable".

Nothing about this makes any sense. This project required no large infrastructure development and no land acquisition, yet it is already delayed by five years. As a result, there have been four revisions which considerably raised its cost – by 112.75 percent, to be exact. For all that trouble, what we will finally have will not even be able to correctly identify the poor and bring them under the government's social safety net programmes. In other words, it is a complete waste.

Reportedly, 545 data entry operators were hired in 2016 but not given defined responsibilities. Several consultants were also appointed, but they failed to perform properly leading to a number of inconsistencies in the database. The Bangladesh Bureau of Statistics (BBS) also did not appoint an experienced officer, and many of its IT consultants and senior programmers who were involved with the project didn't do any noticeable work either, which further contributed to this nightmare.

All of these issues should have been noticed beforehand. Apparently, there should have been at least 35 project implementation committee (PIC) meetings but only nine were held, leading to poor oversight and numerous delays in taking important decisions and also in the implementation process. This sums up the lack of concern and professionalism shown at stage of the project, which raises the question: Why did this happen? Why was such reckless mismanagement allowed in a database project long expected to save the government heaps of cash by reducing corruption in government aid programmes?

It seems like this project, and all the talk about how it will "revolutionise" the government's social safety net programmes, were nothing but hot air. That is not to deny that if done right, it can be a vital requirement in the service of the people. Therefore, we urge the government to figure out how to get it back on track – without burning heaps more of public funds – and a good starting point for that will be to hold those responsible for this disaster to account.

Workers, not martyrs

Latest survey on Bangladesh's labour rights is concerning

WE'RE alarmed to see the latest iteration of the Global Rights Index by the International Trade Union Confederation (ITUC) in which Bangladesh – for the sixth year in row – has been ranked among the world's 10 worst countries for workers. The report evaluated the labour rights records of 148 countries, and Bangladesh seems to have found a home in the comity of worst rights violators. While not an achievement to be proud of, this does give us an opportunity to assess what went wrong and why so.

In its evaluation, the ITUC highlights areas in which workers' rights continue to be "severely curtailed". It specifically mentions the garment sector, which employs over 4 million workers. Despite being the engine that runs this billion-dollar industry, their rights to strike and to establish or join trade unions are frequently violated. Often, attempts at forming unions are ruthlessly suppressed, and protests over unpaid wages met with extreme brutality, with police sometimes firing live rounds to disperse agitating workers. In 2021 alone, at least six workers were shot and killed by police during strikes.

As well as physical violence, threats to workers' rights also include mass dismissals, criminal prosecutions and heavy-handed bureaucracy, including an extremely burdensome registration process imposed on establishment of unions apparently to frustrate such efforts. A lack of opportunity to be unionised means a lack of opportunity for them to bargain for better wages and working conditions. The condition of workers in the export processing zones (EPZs) is particularly bad, as they are prohibited from organising any protest there.

Understanding the plight of garment workers is key because all the problems facing the labour force in general can be seen here in microcosm. An important component of labour rights is safety: safety from occupational hazards, and from harassment at workplaces. Another component is the guarantee of decent wages. Yet another component is job security. Workers in almost all sectors – including construction, shipbreaking, etc. – seem to suffer on these fronts, with the administration and legal instruments seemingly favouring the interests of employers over that of workers. With as many as 182 businessmen elected in the last general election – or over 61 percent of all MPs – the power balance between employers and workers is heavily skewed towards the former. This manifests in increasing discrimination, abuse and rights violations.

This is unacceptable. Labour rights are but human rights, and we cannot continue to ignore them for the sake of development. We urge the authorities to address this situation and create an environment in which no one takes advantage of the precarity of poor workers.

How effective will the new monetary policy be?



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THE Bangladesh Bank (BB) has revealed its Monetary Policy Statement (MPS) for the period of July-December 2022 at a challenging time. The global economy is experiencing an inflationary pressure that has not been felt in the recent past. Countries are struggling to overcome the shocks caused by the Covid-19 pandemic and the ongoing Russia-Ukraine war. In this context, BB has announced its MPS with its usual three objectives: inflation control, employment generation, and growth of gross domestic product (GDP).

To achieve them, the MPS puts forward a list of areas where the central bank wants to intervene through policy actions. But the stated measures are not enough. While following a tight monetary policy to rein in inflation and reduce exchange rate pressure, BB also aims to support the economic recovery process through ensuring funds to the productive sectors and employment-generating activities. The monetary policy will also promote import-substituting economic activities. To reduce exchange rate depreciation pressure, protect the foreign exchange reserves and control inflation, the policy will discourage imports of luxury goods, and many foreign goods.

The projections of major economic and monetary indicators are ambitious and overlook the realities to a great extent. The MPS projects the inflation rate to be 5.6 percent in FY2022-23. This is optimistic in the context of the current global economic trend and the outlook for 2023. International organisations such as the World Bank have forecasted that several countries might face recession and stagflation in the coming days – as was experienced in the 1970s. If Bangladesh's inflation is mostly imported, then how does one expect it to come down so fast within a year while the global economy continues to struggle? According to the International Monetary Fund (IMF), in 2022, the emerging and developing countries will face an inflation rate of 8.7 percent. The situation will improve in 2023, but these countries will still suffer a 6.5 percent inflation. It may be noted that in May 2022, inflation in Bangladesh increased to 7.42 percent.

Additionally, as per the MPS, low inflation will be coupled with high economic growth in the country. Hence, the GDP growth is projected to be 7.5 percent – which has also been mentioned in

the proposed national budget for FY2022-23. The optimism has been expressed in view of factors such as the economic boost due to the recently inaugurated Padma Bridge. The bridge will surely enhance economic activities and investment leading to higher growth, but one year is too short a time to observe such a jump.

The MPS has adopted "a cautious policy stance with a tightening bias to contain

Households may feel encouraged to save and spend less due to attractive interest rates. On the other hand, since loans also become expensive due to higher interest payments, there will be further reduction in consumption. This is expected to reduce money supply in the market. In case of open market operations, central banks sell securities to other banks, which puts upward pressure on interest rates and



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inflation and exchange rate pressures while supporting the economic recovery process." However, some of the projections are not consistent with this objective. It projected credit growth to the private sector at 14.1 percent for FY2022-23, which is higher than the estimated 13.1 percent for FY2021-22. Of course, originally it was set at 14.8 percent for FY2021-22. Therefore, the projected growth of credit to the private sector is not lower than the estimated actual growth in the previous year. The growth of the public sector credit is set at 36.3 percent in FY2022-23, which is higher than 27.9 percent in FY2021-22. The broad money growth is projected to rise to 12.1 percent in FY2022-23 from 9.1 percent in FY2021-22 as per the MPS.

In view of supply constraints, commodity prices have risen beyond consumers' affordability. The ongoing inflation is happening in a situation when economies are also experiencing low growth due to the pandemic. People have less money at their disposal. Therefore, policymaking for controlling this inflation is much harder than the inflation due to a booming economy. However, many central banks around the world are currently pursuing a contractionary monetary policy to curtail the money supply, by using tools such as interest rates, and buying and selling of government securities, which is termed as open market operations.

To put it simply, a higher interest rate is adopted to reduce individual consumption.

With such interventions of the central bank, the monetary policy tools become dysfunctional. Banks don't find it attractive to lend money.

Tackling climate change: NbS can enhance LLA



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TWO concepts related to climate change – Locally-Led Adaptation (LLA) and Nature-Based Solutions (NbS) – have gained significant momentum over the last couple of years. Both allow us to define potential ways to combat the climate crisis. But at the same time, these are causing some confusion and misunderstanding among the stakeholders working on climate action, which need to be demystified.

Let's start with the NbS. To fight climate change, we must bring the global carbon emission down to net zero. To do that, in addition to inventing and using technologies to shift from using fossil fuels to renewables, we can also rely on nature and ecosystems. We can remove carbon dioxide from the atmosphere, for example, by planting diverse mangrove saplings on the new chars along our coastline. Similarly, we can re-green degraded ecosystems, like the denuded hills of the Chittagong Hill Tracts (CHT), to capture carbon. We can also reduce the release of greenhouse gases (GHGs) by improving the ecologically-critical area around the Sundarbans or by sustainably managing Hakaluki Haor, for instance. Protecting nature can also help us survive the long-term impacts of climate change. If we conserve the hills' tree cover, it will ensure water supply even if there are more rainless days in the coming decades. And nobody knows better than Bangladesh how the Sundarbans and the coastal green belt have been protecting our lives and assets from cyclones.

All these ecosystem-based actions are

examples of NbS. By protecting, restoring, managing and creating ecosystems, not only humans are getting benefitted, but biodiversity is improving too. But, as we can see, NbS is nothing new. It is rather something we have been practising for ages, such as floating agriculture at the central coast of Bangladesh. It is only a new framing to bring all nature-based activities under one umbrella. This new approach can help us to integrate nature into different actions to tackle diverse societal challenges, particularly climate change.

LLA, on the other hand, takes place when at the lowest administrative level, local governments, communities, organisations and other local level stakeholders identify, prioritise, plan, implement, monitor, evaluate, and learn from adaptation actions against climate change. Such interventions are supported by national governments, donors, civil society organisations and private sector agencies by closely working with the local entities. Bangladesh has long been part of the conceptualisation, evolution and consolidation of these people-centred approaches. Building on the lessons learnt from over the past couple of decades, LLA essentially looks at adaptation from a whole-of-society perspective and mainstreams principles of governance in all possible senses.

Both the LLA and NbS underscore the importance of knowledge and understanding of the context, challenges, opportunities, and solutions. They value and ensure people's participation in every step of an action following the principles on diversity, inclusion, equity, access, transparency, accountability, and empowerment.

Both the LLA and NbS have strongly been appreciated and adopted by global agencies. Large money lenders of big infrastructure projects, such as the World Bank and the Asian Development Bank (ADB), have embraced NbS. USAID's new Climate Strategy (2022-2030) has made NbS and locally-led development two of its five core principles to spend USD 150 billion in the current decade. Recently, the UK's Foreign, Commonwealth and Development Office has launched a 120-million-pound programme called Bangladesh Climate and Environment Programme. Its first thematic area envisages improved climate resilience of the people of Bangladesh through scaling up LLA and NbS by protecting and restoring nature. Also in Bangladesh,

the Mujib Climate Prosperity Plan and the Bangladesh National Adaptation Plan (NAP) are two recent draft policy instruments which have explicitly adopted LLA and NbS as core approaches.

Despite their humble, familiar origins, both LLA and NbS face a number of questions from the development practitioners, who sometimes struggle to understand and adopt new concepts and approaches every few years. Another challenge is communicating these new concepts to the stakeholders – from the local communities to the policymakers. It is also argued whether developing countries should adopt these concepts apparently coming from the West. These concerns may seem real, but are not justified. All these people-focused concepts and approaches may seem different, but in fact all are focusing on human well-being through sustainable development.

Both the LLA and NbS underscore the importance of knowledge and understanding of the context, challenges, uncertainties, opportunities, and solutions. They value and ensure people's participation in every step of an action following the principles on diversity, inclusion, equity, access, transparency, accountability, and empowerment. Both focus on responsible and flexible funding and programming, and promote learning by doing and adapting to ever-changing scenarios. They focus on sustainability, scaling up and scaling out of actions, which would build peoples' resilience and ensure their overall well-being.

As we continue planning, funding and implementing actions to build community resilience, we must invest time and efforts to understand novel approaches and tools. We shouldn't shy away from these concepts even if they seem overwhelming; rather, we should play our role in translating theories into practice and feeding our experience to the policymaking process. While doing so, we shouldn't adopt new concepts as they are, but should contextualise them matching our needs.