

Accountability, not choice, should guide public service

Govt officials must be made answerable for their actions

WE welcome the prime minister's call for public servants to devote themselves to the welfare of the people. "All of you [public servants] are getting salaries and perks from the money paid by the common people as taxes. So, you have to work for their welfare and in their interest," she said, while speaking at a programme marking the National Public Services Day. She stressed the importance of every employee of the republic fulfilling their duties as specified in the constitution. She highlighted how her government is trying to create a "congenial atmosphere" for public servants so they can work without fear or obstacles.

There are several takeaways from her speech. While it is customary on such a day for the head of state to address public officials and their issues, in a republican government system, it is essential to remind them, again and again, who they're really answerable to and why. Over the years, this government has been more than generous to boost their morale, through higher salaries and perks, as evidenced by the PM's mention of a special initiative to let them purchase flats and vehicles borrowing government money. For all these benefits, it is only natural to expect superior performance from officials.

The question is, why hasn't that come about yet? Unfortunately, today, access to public service across the administrative spectrum remains a daunting prospect, even after the digitalisation of many services. Elsewhere, we see public works and projects flounder repeatedly, without any consequence for those responsible. In case of law enforcement agencies, a growing percentage of policemen are increasingly indistinguishable from the criminals they're supposed to deal with. The criminal justice system is also crumbling, with citizens often left hung out to dry. Forget a superior performance; at this stage, citizens would settle for anything from public officials that doesn't make their life more difficult than it is.

Today, public jobs are greatly sought after by the majority of graduates, as much for the increased financial benefits as for the immunity that comes with their jobs. The problem seems to be in the politicised system in which public officials work, with no established accountability mechanism, and the expectation that they will somehow be impervious to its influence. The reality is, without a system of accountability – in which all responsible must take ownership of their actions, decisions, behaviour, and performance – any good or bad deed is, in the end, the outcome of individual choice. This cannot be the *modus operandi* of a system, nor can it meet the expectations of citizens.

So we urge the government to help build a strong, apolitical accountability mechanism that applies to all public sectors and all levels of hierarchy, and can withstand pressure from corrupt influences. Only then can we ensure citizens' money is used to serve their best interests.

Time to take precautions against Monkeypox

Early measures would go a long way in preventing another outbreak

WE are deeply concerned by the potential outbreak of another global pandemic after the World Health Organization (WHO), on Saturday, sounded its highest alarm in relation to the Monkeypox viral disease, declaring it a global health emergency. Although a committee of experts voted 9-6 against sounding the highest alarm, the WHO's chief Tedros Adhanom Ghebreyesus vetoed the decision, as he said he believed the "outbreak represents a public health emergency of international concern". Previously, when the WHO first announced the Covid-19 pandemic as a global health emergency, Bangladesh, among other South Asian countries, showed little sign of taking the warning seriously. Therefore, we hope that policymakers this time will remain awake to the looming danger, and take preventive measures to ensure that citizens stay safe from the Monkeypox virus.

Reportedly, around 16,000 people have so far been affected by the disease in 72 countries. Initial symptoms of infection include fever, headaches, muscle pain, and back pain over a course of five days. Rashes subsequently appear on the face, the palms of hands and soles of feet, followed by lesions, spots, and finally scabs. The first case of Monkeypox in South Asia was only recently reported in India, where a middle-aged man who arrived from the Middle East was diagnosed with the disease. Within 10 days of that, India has confirmed four Monkeypox cases. With the arrival of the disease in South Asia and given how easily such diseases defy borders, Bangladesh needs to act fast.

The vast majority of cases recorded so far are suspected to have been transmitted sexually, but transmission of the disease may not be restricted to that. So it is incumbent upon the government to set up screening mechanisms at all ports of entry into the country, including airports, land routes, etc. Moreover, the government should set up expert committees in order to find out as much information about Monkeypox as possible, so that health authorities in particular, and people in general, understand the risks and possible preventive measures that can be taken.

As we discovered from the pattern of Covid-19 pandemic, trying to prevent transmission at the early stage is the best way to fight an outbreak. Additionally, having a prepared healthcare system would go a long way in fighting any potential outbreak, and save lives. The government should also consider fast-tracking the planned construction of a vaccine plant which will be useful for all vaccine-related purposes in the future – including developing our own vaccines against Monkeypox if or when the need arises, which could potentially prove to be life-saving.

Recognising a crisis and responding to it effectively



MACRO MIRROR

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AMID the high inflation and sliding foreign exchange reserves, an energy crisis has crept into Bangladesh. Globally, the worry for high commodity prices was multiplied with Russia's invasion of Ukraine in February, because Russia is a major supplier of fuel and many commodities to the world. Price hikes and supply shortages hit the growth prospect of many countries. China's zero Covid policy has hit its production volume and shrunk the alternate source of supplies of many commodities for importing countries.

As a net fuel-importing country, Bangladesh has been in the front line facing the challenges of war-induced price hikes. Bangladesh also imports several essential commodities from the global market, including Russia. The official inflation rate in the country has increased to 7.56 percent, which is the highest in nine years. In Bangladesh, not only the imported products and services, but local commodities too have gotten more expensive. Add to this the poor market monitoring mechanism and the profiteering behaviour of a small group of market players who always take advantage of crises.

Soaring oil and commodity prices have hit Bangladesh's foreign exchange reserves significantly. Bangladesh's exports have made significant rebound with the pandemic slowing down. In the first 11 months of the 2021-22 fiscal year, export growth was 34.09 percent. As import growth was higher at 39.01 percent, there was a deficit in the balance of payment equivalent to USD 3.7 billion during this period. Indeed, during the same period in the previous fiscal year, there was a surplus of USD 7.5 billion in the balance of payment. Moreover, the negative growth of remittance in FY2021-22 led to a current account deficit of USD 15.3 billion, during the July-April period of FY2021-22, which is 3.3 percent of the country's GDP.

On the other hand, the Bangladeshi taka against the US dollar has seen a free fall in recent months, despite the central bank's attempts to keep the taka stable by injecting at least USD 5 billion into the market. Since



VISUAL: SALMAN SAKIB SHAHRYAR

countries have withdrawn travel restrictions, people have resumed international travels for various purposes. On the other hand, money laundering and trade mispricing through under-invoicing and over-invoicing have also put pressure on the forex market. Due to the shortage of adequate foreign currency in the market, the US dollar is being sold at a much higher rate in the kerb market than the official rate. Though the Bangladesh Bank has recently allowed the market to determine the exchange rate, the market is yet to be corrected.

Meanwhile, the Bangladesh Bank has taken a few measures to ease the pressure on the forex reserves, such as restrictions on importing luxury items, reporting of all types of foreign exchange transactions by banks, and encashment by banks of 50 percent of the total balance held in exporters' retention quota (ERQ) accounts in the exporters' names.

A depreciated taka against the dollar may be good for exports and remittances, but it makes imports expensive, which is further fuelling the inflation rate. The government now makes much higher payment for fuel imports. High import payments

billion less than what is reported by the government.

Falling forex reserves is a red signal, since the cost of energy imports is increasing significantly. Forex is needed not only for energy imports, but also for capital machineries for industries and infrastructure. The cost of energy imports by the Bangladesh Power Development Board (BPDB) increased by about 20 percent in FY2020-21, compared to the previous fiscal year. With the continuous rise of global fuel prices, the import payment for fuel will be even higher for FY2021-22. Energy experts view that a lack of initiatives for new gas exploration and efficient management are the causes of the current power shortage crisis in the country. Despite the prospect of success in gas exploration, according to various geological surveys, the government has been reluctant to explore new gas fields. Instead, it opted for importing expensive liquefied natural gas (LNG) from the international market.

In view of the soaring prices, the government has taken measures to reduce the cost of energy. It has rolled out a load-shedding schedule of one

hour per day throughout Bangladesh. It has also announced to keep petrol pumps closed one day a week. The production of domestic diesel power plants will be suspended for now. Additionally, several measures have been announced to reduce nationwide electricity consumption by 25 percent. While these measures are necessary in view of huge expenses for energy, this

is causing public suffering. It is also hampering industrial production. If this continues, production costs will increase and there may be disruptions in the supply chains. It will further increase inflationary pressure. Reduced production also risks reduced employment.

Therefore, rationing of power distribution cannot solve the core problem, which is deep-rooted. In the face of high inflation, there is a need for continuing energy subsidies. But where is the fiscal space for the government? With a tax-GDP ratio of less than nine percent, there are very limited scopes for meeting the required expenses, not only for energy, but for all other expenditures. Earlier, the government asked everyone to be frugal, and suspended low-priority projects and foreign tours of government officials, which are positive moves. Along with these, it is also crucial to improve governance in project implementation and reduce corruption in public expenditures. This is the time to be more prudent in economic management through immediate, medium and long-term measures.

RMG makers must adapt to the ongoing volatility



RMG NOTES

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AS per the latest government figures, work orders for Bangladesh's ready-made garment (RMG) sector for the September-November season has fallen by more than 20 percent. Many believe business won't pick up until February next year (at the earliest) as the global uncertainty dampens consumer demand in the Western markets.

Our end consumers in the US and Europe are cutting spending due to the rising inflation and uncertainty caused by the Russia-Ukraine war. Friends in Europe tell me that prices of petrol and household energy are through the roof. There is a cost-of-living crisis and this is reducing disposable income. We are looking at the grave possibility that our two largest markets – the US and Europe – may fall into recession this year.

It seems that just as we recover from one crisis – the global pandemic – another one begins. From autumn last year till mid-summer this year, we felt some relief as work orders picked up. But now we are once again staring down the barrel of an uncertain future.

I do wonder whether we, the RMG makers, should start thinking of this uncertainty and volatility as the new

normal, and adapt accordingly. If it's not the pandemic or war, it may well be something else: climate crisis, trade wars – you name it.

A few potential tactics spring to mind when I think about adapting. All, I believe, could help our RMG makers become more resilient in an increasingly unstable global market.

The first is shorter runs, flexibility and increased agility. Factories better placed to respond to a less stable trading environment will be in a stronger position to capitalise on opportunities that make themselves available. It might be that big orders are not on the table for the next few months, or even beyond. But people will not stop buying clothes altogether. More nimble and agile factories that can meet different market needs on time will be the winners in a difficult trading environment.

Point Two ties into Point One, and is about speed and responsiveness. We need to look at our rivals in China. Shein, one of the world's fastest growing fast fashion brands, is now working closely with a cluster of supplier factories, all of which are operating within a two-hour drive of its Chinese headquarters in Guangzhou. I expect Shein's model to influence the rest of the market. Shein's rivals will be placing pressure

on competitors to speed up their own acts, and this has huge implications for us as suppliers. Can we meet the rapid delivery requirements? Can we begin to reduce our speed to market? New port services between Bangladesh and Italy will help our cause here as far as European markets are concerned, but as an industry, there is so much more we can do.

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Point Three is about broadening our client base. As much as the challenging business environment represents a threat, there is also an opportunity to win new business. Fashion brands are still shifting sourcing hubs. There is still a large withdrawal from China, while uncertainties exist in many rival RMG sourcing hubs, such as Myanmar (military coup), Sri Lanka (bankrupt government) and Ethiopia (civil war). Can we pick up business from any of these markets? We might need to, as we may not be able to rely exclusively on our existing clients as we move through 2022.

Point Four is about shifting into

niche and high-value products. Our industry leaders have already talked about increasing the use of non-cotton, man-made fibres such as polyester and viscose in Bangladeshi supply chains. This would enable us to move towards other market segments such as sports, athleisure wear and luxury fashion. There's no time to waste here – we have to begin to reduce our dependence on staple cotton garments in order to remain competitive.

Finally, we can truly make ourselves stand out by continuing to invest in sustainability. In the past few weeks, Europe has experienced record-breaking heat waves, which has spooked industry leaders as well as government officials and regulators. The consensus seems to be that the extremes of global warming will be upon us quicker than we think. With this in mind, I see a major focus on sustainability and a renewed drive towards net zero commitments by governments. This all has huge implications for fashion. Regulators will be coming down on fashion brands and their supply chains like never before in the coming months and years.

I cannot emphasise enough how much of a competitive advantage our domestic RMG makers could achieve by shifting to renewable energy and other green measures. Industry leaders, government and legislators need to work to help make this happen.

It's tough out there. But have no doubt: agile, responsive, diverse, and sustainable factories will win business as we move forward.