The Daily Star
FOUNDER EDITOR: LATE S. M. ALI

A hospital on life support

Why is the country's oldest mental hospital in such a bad state?

It is extremely disheartening that Pabna Mental Hospital, the oldest such facility in the country, remains in a terrible shape. The 500-bed state-run hospital has been struggling to provide patients with the most basic of requirements including nutritious meals, prescribed medication, and specialised treatment. And as per families of former patients, the standard of its medical care is not good enough to ensure that patients receiving treatment there would fully recover.

Things had, in fact, gotten so bad that, in early September, the then acting director of the hospital issued an order to stop admitting new patients, citing a supply shortage of food, medicine, and other necessities. Although the order was withdrawn a day later, after the health directorate assured that it would provide the necessary support, things have not improved much.

According to a report by this newspaper, the main reasons behind the hospital's dismal condition are the presence of an unscrupulous contractor syndicate responsible for food and medicine supply, a lack of specialist doctors, and the pervasive interference of brokers. While the hospital is supposed to follow a diet plan which includes meat and vegetables, patients have alleged that its food quality is substandard. In fact, the food quality is so poor that a large amount of food has to be dumped as patients cannot eat it. And this has largely been happening as the syndicate of unscrupulous contractors has been consistently getting their work order using their influence. They reportedly embezzle money by supplying subpar food and inadequate medicine. When the hospital decided to make changes to the traditional tendering process to break up the syndicate, one of the companies involved filed a lawsuit, which has further disrupted the supply of food and medicine.

Additionally, the facility also lacks provisions for advanced care due to an acute shortage of specialised doctors and other hospital staff. Of the 31 posts of doctors, only 10 are currently occupied. And out of the 643 positions at the hospital, 176 are presently vacant. With such a huge manpower shortage, it is not possible for the facility to provide quality treatment.

Under the circumstances, the health authorities need to take a long and hard look at themselves. Surely things have not come to this point in a day or two, but rather over a prolonged period, thanks to their negligence. The fact that mental health patients have so few options for treatment in our country – and that the country's oldest mental health institute is in such shambles – speaks volumes about their terrible performance. And for that, the government must hold the relevant authorities to account. Moreover, the government should immediately provide the Pabna Mental Hospital with all necessary funding and support to get it back on its feet, so it can provide quality care to mental health patients.

An inspiring example of leadership

Setara shows how women's political empowerment helps society

It is encouraging to learn of the story of a woman whose rise from a background of helplessness to be in a position to help others can be an example for countless people from similar backgrounds. Setara Begum, 37, comes from a small village in Lalmonirhat. And like many girls struggling with poverty and unhelpful social norms, her life, too, seemed headed to a destiny she didn't, or wouldn't, choose. According to a report, while in her eighth grade, Setara dropped out of school because of poverty, and after her father's death, was hurriedly married off. Her husband, known as Shamsu Pagla, was so called because of his mental illness.

Life after marriage was no less painful for her, with an ailing husband in constant need of care, their meagre earnings, and no house to call their own. All this would have weighed down any person of lesser strength. But not Setara. She decided to turn her challenges into an advantage, and she had a lifetime of lessons to guide her. She became a candidate for the reserved chair-member post in the Mogholhat union parishad. It was initially ridiculed, but soon she convinced her people with her courage, and so they financed her campaign. Today, she is a UP member, and a very sincere one at that.

Every day, she sets out from her home at dawn, covering at least five villages on foot before the day's end. She helps those in need to access government allowances and services, hears about their problems, and tries to solve them. She is like their guardian angel who lives among them. With her small honorarium as a UP member and her husband's disability allowance, they live a simple yet richly rewarding life. In a way, her past life of struggle and caregiving set the stage for her eventual role in the service of her community. She remains an inspiration not just for those similarly battered by life, but for women with political aspirations as well.

In Bangladesh, the road to women's political participation and representation is littered with many obstacles. Only last month, a female Zila Parishad member candidate, while returning from an election campaign, was waylaid by five men and raped at gunpoint. The victim later said, "They raped me to stop me from competing in the election." This is just one example of just one kind of obstacle – sexual violence – that politically ambitious women have to face. Other challenges include smear campaigns, lack of support and security, the general preference for tokenism rather than representation, etc. Women are easier to target for political rivals, and we have a society that, for all its talk of equality and inclusion, is still not open to having women in decision-making positions.

Setara has shown how women's political empowerment is actually in the best interest of our society. We hope more people will be encouraged by her example.

Two major economic woes we need to address right now

MACRO MIRROR

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FAHMIDA KHATUN

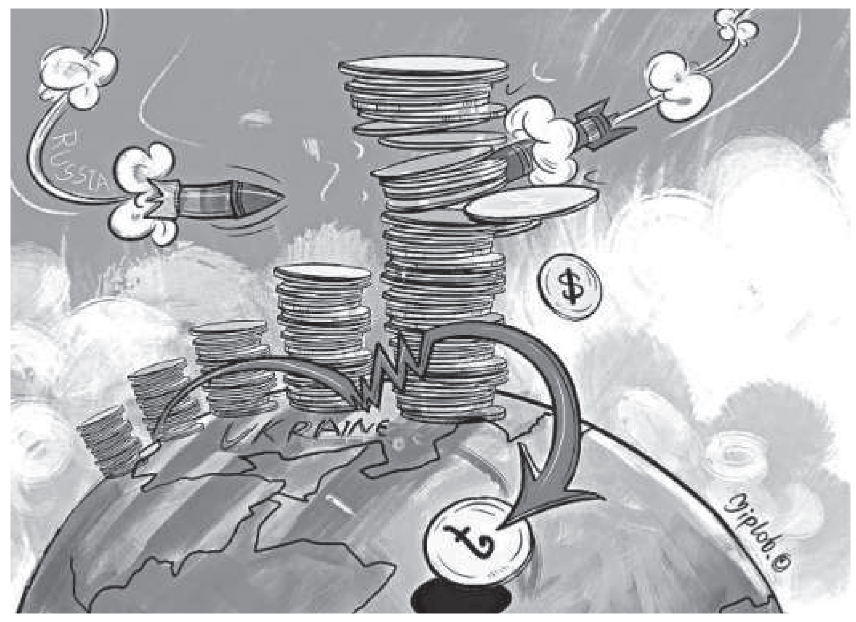
Bangladesh saw a sharp rise in inflation in August 2022 – 9.5 percent – which dropped slightly – 9.1 percent – in September, according to the Bangladesh Bureau of Statistics (BBS). Earlier in July 2022, the inflation rate was 7.48 percent, compared to 5.36 percent in July 2021. This increase is driven by food inflation in the domestic market, since food makes up about 60 percent of the Consumer Price Index in the country.

Low- and fixed-income households are particularly feeling the bite of the inflationary pressure. For a country like Bangladesh, inflationary pressure is quite significant since we are not a rich country. Even if our per capita income is USD 2,824 (projected) in FY2022, lower-middle-income and fixed-income groups earn much less, because salaries are not increased in accordance with inflation. According to the Trading Corporation Bangladesh (TCB), prices of essential commodities have increased by as much as 50 percent compared to last year.

High inflation is now a global phenomenon. But if we look at the prices of essential commodities in other countries, we will find there are several commodities that are more expensive in Bangladesh than even in advanced countries – be it domestically produced or imported. Much of it is due to market distortion and mismanagement, where only a few players dominate the market. We frequently claim that if imports become more expensive, domestic prices will follow suit. However, certain commodities are produced locally. Of course, the cost of transportation has gone up and it is added to the price at the consumer end, but by how much? In the case of imported goods, imports are made in bulk, and it is not like they are imported every other day.

Monetary policy plays an important role in taming inflationary pressure. Within the monetary policy mechanism, the interest rate is used as an effective tool in such circumstances. Many countries are applying this tool where the rate of interest on bank loans is increased to control money supply in their economies. In Bangladesh, the interest rate regime is controlled by the central bank despite the fact that our economy is largely driven by market economy philosophy. The logic which is often used by policymakers of developing economies is that a high interest rate on credit would discourage private investment. But credit growth in our private sector has been upwards in the current fiscal year. Some of this loan is for importing capital machinery for investment, but not all. Besides, if one looks at the trend of private investment in the country, it has been hovering around 24 percent of GDP. It is unlikely that, during a crisis period, this trend will be broken. So, the logic of private investment being deterred, manufacturing process being disrupted and thus employment generation being reduced due to a high interest rate on loans is not well-grounded.

What we need now is an increase in supply of essential commodities, both through imports and local production, for which bigger finance is needed. To create such a fiscal space, unnecessary costs and wastage of resources have to be stopped. There should also be targeted support for small and medium enterprises (SMEs). They should be given loans at a lower rate than the large enterprises for their survival and employment generation.



Our policy responses amid the ongoing economic challenges will have to be prompt and pragmatic. VISUAL: **BIPLOB CHAKROBORTY**

Apart from inflation, there has also been a decline in export earnings and remittance inflow in recent months. This is concerning because exports and remittances are important sources of our foreign exchange reserves, which are used for our imports since we are import-dependent for many commodities. Bangladesh mostly exports ready-made garment (RMG) products. Since the whole world is facing economic slowdown and inflationary pressure, people in the middle-income and lower-income categories will prioritise their spending on food, education, healthcare, housing and other necessities, and cut their expenses on clothes. The lower growth and apprehension of many economies slipping into recession are alarming signs for our export sector.

As for low remittances, there is a lack of interest among the remitters to send money through the banking channel, despite the 2.5 percent incentive offered by the government. Though the number of workers going abroad is increasing, the remittance flow is declining because of their preference to send money through informal channels that provide much better exchange rates. Also, because of the managed currency exchange rate regime for a long time, there was a significant difference between the official exchange rate and the kerb market and the informal hundi transactions. The central bank's recent move to operationalise the floating exchange rate has not seen any material impact yet, since the taka has been depreciating continuously. Of course, devaluation of the taka against the US dollar was overdue since the real effective exchange rate (REER) in Bangladesh has been higher than other competing economies. The REER indicates whether the currency of a country is overvalued, undervalued, or rightly valued. Though it helped to keep import costs lower, it hurt exports and remittances.

As opposed to lower export earnings, import costs are increasing, leading to a large trade deficit. The negative trade balance exceeded (-) USD 30 billion in FY2022, driven by rising imports and relatively lower rise in exports. Moreover, due to the negative growth of remittances, the negative current account balance rose sharply from (-) USD 4.6 billion in FY2021 to (-) USD 18.7 billion in FY2022, which is unprecedented in recent history.

The challenge in the external sector is also reflected through lower foreign exchange reserves. High import costs are depleting our forex reserves fast. In June 2021, our forex reserves were enough to cover 10 months of imports. Due to recent decline, the reserves can cover about five months of import bills. Though it should not concern us in normal circumstances, the rate of depletion and a smaller scope for replenishing the reserves in the current circumstances are worrying.

The ongoing challenges are expected to continue for many more months, and the scenario is uncertain. This is reflected through the changes in projections of various international organisations frequently. Therefore, policy responses of the relevant authorities will have to be prompt and pragmatic. This is not the time to be obsessed with GDP growth. Rather, our policymakers should focus on strengthening the macro-fundamentals so that our economy is strong enough to navigate through these uncertain and difficult times.

Let's not forget RMG workers in the race to net zero

RMG NOTES

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MOSTAFIZ UDDIN

With the world currently facing an economic shock, there is an air of trepidation as we head into the winter. Ready-made garment (RMG) makers are desperate for a good run-up to the festive season, a traditionally busy time of the year for manufacturers in Bangladesh. But the signs are not good so far.

Last month, Bangladesh's export earnings fell to a 13-month low of USD 3.9 billion. The post-pandemic return to growth appears to have been short-lived. Experts are blaming the Russia-Ukraine war and the double-digit inflation rate in Europe. This is a huge issue given that the European Union is the largest trade bloc for our RMG products.

The situation in the US market is similar. The US, together with the EU, saw a 5.66 percent fall in Bangladesh's woven exports and nine percent decline in knitwear shipments in September compared to the previous year.

My biggest worry in this situation is for our RMG workers, who are among the most vulnerable parts in the global fashion supply chain. They depend on steady working hours and, indeed, many of them factor in overtime to earn a reasonable income. Overtime is very limited given the current lack of orders, and some smaller factories have even ceased production altogether.

While we in Bangladesh are obviously concerned about this issue and its implications for domestic jobs and industry, there is some sentiment globally that reduced economic activity will be the only way in which the industrialised world can meet climate commitments.

Readers may have become aware of the calls for "slow growth" or, more pertinently in the fashion industry, "slow fashion." In addition, at the start of the pandemic, some people talked about the Great Reset. The World Economic Forum (WEF) spoke of how the pandemic could represent a "rare but narrow window of opportunity to reflect, reimagine, and reset our world."

I have been following the debate around what this reset may look like. The prevailing consensus seems to be that the focus will be on sustainability with a determination to meet "net zero" targets at all costs, coupled with the rise of the circular economy. While the principle of circular economy and net zero is keeping materials and products in use and giving products a longer lifetime, the RMG industry of the third world flourished through fast fashion. So, while we move towards the "net zero," we have to be very cautious about the negative economic impacts.

The term "net zero" means achieving a balance between the carbon emitted into the atmosphere and the carbon removed from it. Some people believe we can meet net zero targets by switching to renewable energies. But there is another debate that net zero will not be achieved if economic activity levels continue to rise. According to this line of reasoning, absolute reductions in outputs will be necessary in consumer goods industries, including fashion.

This makes me nervous, and in many ways conflicted. On the one hand, I support the sustainability agenda. On the other, I recognise that the much-criticised fast fashion industry provides employment and security to millions of garment workers in Bangladesh. So, "degrowth" cannot happen in economic terms, meaning goods production can be reduced, but not by distorting our economic growth.

> **I am already hearing stories of people losing jobs in our industry and factories having to lay people off. Is this a temporary blip or the start of a long-term restructuring of our economy in a world that wishes to meet net zero targets?**

These issues gained further prominence recently when US-based consultant Textile Exchange warned the fashion industry that it was time to rethink "untethered growth." Textile Exchange produced a report showing the continued growth of global textile fibre production and how this is not compatible with meeting the targets laid down by the Paris Agreement on climate change.

It feels clearly like something has to give. There are talks of "decoupling" resource consumption from economic output, but there is very little evidence that this is happening in our industry yet – especially in LDCs. As we have seen in recent weeks, we are still quite reliant on the traditional fuels, and when the supply stops, we all have problems. That's just the way things are and will remain until there is a huge industrial upgrade to renewable energy in Bangladesh.

The alternative, then, could be that we have to accept that reducing output – or "not growing" – could be the only way we help the world meet the climate targets. Are we ready for that? More pertinently, do we have a plan for the RMG workers who may lose their livelihoods? These global issues will hit us all at some point, but the most vulnerable will suffer the most.

I am already hearing stories of people losing jobs in our industry and factories having to lay people off. Is this a temporary blip or the start of a long-term restructuring of our economy in a world that wishes to meet net zero targets? People might say I am being an alarmist, but I am only taking what I hear in the fashion industry at face value, with every major fashion retailer now setting strict emission reduction targets. With targets becoming more and more difficult to achieve, and deadlines closing in, could reduction in production volumes be the way fashion retailers choose to meet emission targets? Whichever way we go, it is imperative to save people from the impact of degrowth.

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