

## The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

### All cities need a DAP of their own Equitable urban development vital to decentralise Dhaka

Not long ago, we commented on the government's plan to establish five new development authorities in Sylhet, Payra, Rangpur, Barishal and Mymensingh. Already, there are a number of similar development authorities – in Dhaka, Cox's Bazar, Khulna, Rajshahi, Gazipur, and Chattogram. What's common to these region-specific development agencies is their lack of effect, as they are hamstrung by manpower shortage, wasteful or unaccountable spending, lack of initiative to uphold their mandate, non-cooperation from other government departments, etc. Clearly, setting up new agencies without fixing these institutional challenges runs the risk of making them similarly ineffective. Is more of Rajuk what Bangladesh needs at this moment?

Experts at a recent roundtable covered by *Prothom Alo* have raised an equally important question: Is more of Dhaka-focused development good for the future of Dhaka and, by extension, Bangladesh? Clearly, it is not. Dhaka has become a colossal primate city, larger than the next three big cities combined. Yet, we continue to keep our urban policies centred on Dhaka that has done little to make it liveable. This Dhaka-centrism has hurt Dhaka more than it benefitted it, or its residents, while lack of focus on other cities and metropolises has resulted in them lagging behind in terms of growth opportunities. This is why experts have called for a policy of equitable urban development across the country, one that will take some of the pressure off the capital, and offer all other regions equal access to economic and administrative opportunities, civic amenities, quality healthcare and education, etc.

With the fallout of climate change being felt across the coast, this is all the more important. We need to prepare our cities to accommodate the growing number of climate refugees so that their burden doesn't fall disproportionately on Dhaka. Bangladesh is going through a rapid change, a deeply unsustainable urbanisation process that makes any future planning difficult. But we must try. The recently unveiled Detailed Area Plan (DAP) for Dhaka has been criticised by environmental and urban experts for not reflecting the need for the best use of available spaces and resources, and it doesn't help that a clueless and, frankly, rudderless Rajuk is in charge of moving the needle on this front.

As one expert has said at the roundtable, we need a DAP for each (mid-sized) city, and properly staffed and motivated agencies in charge of their development. Only then will the country's development become equitable and sustainable, its benefits reaching every citizen. As well as addressing housing and other liveability issues, such policies must preserve what remains of our agricultural lands for the sake of our present and future food safety. They must allow for more playgrounds, open spaces, and schools within walking distances, and for villages to coexist with equal importance. And all initiatives must be part of a national urban policy, which is yet to be formulated, for better coordination and more balanced development. Otherwise, the government's Vision 2041 will remain only in words.

### Why is dengue being allowed to spread?

#### Authorities' lack of action as dangerous as the disease itself

The alarming rise in dengue cases in the country shows the authorities' lack of action, and of priorities, to put an end to this growing health menace. We agree with the experts that had the authorities been vigilant enough since May, when the first cases were reported, the situation would not have been so dire now. As per data from the Directorate General of Health Services (DGHS), at least 36,131 dengue cases and 134 deaths have been recorded so far this year. A national daily has termed 2022 the second worst year in terms of dengue cases recorded in the country's history, with the worst being 2019, when 101,354 cases and 179 deaths were recorded. To illustrate the danger we now face, it can be noted that in a survey conducted by the DGHS in August, Aedes mosquitoes were found in 13.4 percent of houses under Dhaka North City Corporation and 11.75 percent of houses under Dhaka South City Corporation.

Sure, the situation this year may not be as bad as what it was in 2019 (yet), but why is it as bad as it is now anyway?

It is especially concerning that data on infections and deaths are only being collected from a selection of 123 healthcare facilities treating dengue patients, meaning that cases outside the purview of these facilities are not being counted. The actual reality may be much worse. We also fail to understand why the authorities have allowed the dengue situation to go so far this year in the first place. Since May, we have often heard about various drives conducted by the city corporations and the DGHS. But clearly, those were not effective, as dengue has now spread to at least 58 districts, most of which are not equipped enough to deal with this surge.

How is it that a country that faced a nationwide dengue outbreak barely three years ago is so ill prepared? Why are the drives only concentrated within the capital? And why do healthcare facilities outside Dhaka not have the resources to treat all patients properly? As experts have pointed out in the recent past, dengue hotspots and risk areas are not being identified properly (in order to eradicate Aedes larvae and mosquitoes). And fogging areas indiscriminately (which only knocks down adult mosquitoes) is no use unless the authorities can also eradicate its larvae.

At this stage, one only hopes that the authorities will finally wake up and heed the advice of experts. It's vital that Aedes larvae and mosquito hotspots across the country are identified and eradicated. Equally important is the need to equip hospitals outside the capital with necessary resources so that they can treat more patients, and treat them properly. Dengue is not just an urban disease. We must stop treating it as such if we are to prevent another 2019.

# Can an IMF loan rescue our economy?



#### MACRO MIRROR

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In July 2022, the Bangladesh government approached the International Monetary Fund (IMF) for a loan to address the country's economic challenges. An IMF team is currently in Bangladesh to discuss the details of the loan and prepare for the agreement. We have asked for an USD 4.5 billion loan, which will be provided from IMF's Enhanced Credit Facility (ECF), Enhanced Funding Facility (EFF) programme, and the New Initiatives, Resilience and Sustainability Fund (RST).

The context under which we are seeking the loan is not uncommon. Our current economic situation is one in which countries usually look to the IMF for balance of payment support. Our trade deficit is high as import payment is much higher than export income; in FY2021-22, negative trade balance reached over (-) USD 33 billion. Our current account deficit is also high since remittance flow is negative in the current fiscal year; it amounted to

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USD 18.7 billion in FY22. This has led to decreasing foreign exchange reserves and depreciation of the Bangladeshi taka. Our forex reserves have come down to USD 35.8 billion from USD 41.8 billion in FY22. As per IMF estimation, the actual reserves are USD 27.4 billion – only enough for about three months' import payments.

Overall, Bangladesh is going through a difficult time; high inflation, food and fuel crises, and depleting forex reserves have weakened the macroeconomic



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stability that we have been enjoying for a long time. Global economic shocks caused by the pandemic as well as the ongoing Russia-Ukraine war are bound to affect all economies, irrespective of their development status. However, the scale of the impact depends on the inherent strength of each economy. That strength is achieved through appropriate policies and implementation of those policies with strong governance.

Unfortunately, over the years, Bangladesh has failed to strengthen its institutions that are responsible for delivering good economic outcomes. Our financial sector is burdened with a large amount of non-performing loans (NPLs) as loan defaulters are given leeway through various flexible measures. As of June 2022, the amount of defaulted loans stood at Tk 1.25 lakh crore or about nine percent of the total loans disbursed, according to the Bangladesh Bank. Wastage and leakage of resources in projects abound due to lack of good governance. Domestic resource mobilisation efforts are stubbornly slow, and the tax-GDP ratio is only 7.6 percent at present. Added to these problems are the reckless price hike of all commodities, making people's lives miserable.

Since IMF loans traditionally come

16, when the country pursued austerity policy.

While conditional loans are not liked by countries, an important reason for conditions is that the loan provider wants to make sure the money is used in such a way that the economic conditions are improved, and the country is able to repay the loans. Since the IMF's fund is the contribution of its member countries – in other words, their taxpayers' money – it is equally liable for proper utilisation of the fund disbursed to its members.

Considering Bangladesh's request for the loan of USD 4.5 billion, IMF has asked the government to take a few measures. These measures include reform and improved governance of the financial sector, reduction of NPLs, modernisation of revenue administration, expansion of tax net and increment of tax-GDP ratio, implementation of VAT law, reduction of unreasonable support and fuel subsidies, bringing down interest rate on savings certificates to a reasonable level, and withdrawal of interest rate caps.

The availability and nature of the conditionals depend on two factors: how the government negotiates with the IMF, and whether the government

is able to repay the loan along with its interest.

One would think that, given the relevance and importance of the reform measures, the government should have taken these initiatives on its own. Unfortunately, there has always been an unwillingness for undertaking reforms and improving the governance and efficiency of public institutions

in Bangladesh. Whatever reforms that took place were mostly under the directives of lenders.

While negotiating with the IMF, Bangladesh must present its own plans on the areas where its people's interests lie. For example, reducing interest rates on savings certificates will hurt many low- and fixed-income people whose only source of income is the interest from their savings. Before the next general election, the government may not be eager to make this change. The other issue is subsidies for the agriculture sector, which is related to food security. If the government can increase its fiscal space, it can provide support to farmers. However, there needs to be a balance and threshold, because subsidies lead to waste of resources and harm the environment.

Neither IMF loans nor the associated conditionals are new to Bangladesh. However, this is the largest loan that Bangladesh is seeking to take from the IMF. The size of our economy has grown – so have our needs. The nature of the crisis is also different. Therefore, prudent utilisation of the loan will be required to bring the economy back on track. A transparent and accountable system will be key to the successful outcome of the IMF support.

# How to avoid conflict of interest in resolving election stalemate



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SAIFUR RAHMAN

Two major political parties of Bangladesh are on a collision course. The opposition demands the next general election to help under an impartial, caretaker government. The ruling party is staunchly against that. It is not hard to guess that next year will likely be a time of political unrest, social instability and turmoil. This is undesirable when the country just came out of a pandemic and the world is heading towards an economic downturn.

I had the opportunity to be a part of the Bangladesh Civil Service (administration) for some time and was involved with election duties in many capacities. Voting can be manipulated through many tactics. The common scenarios include polling centres being overrun by political musclemen, vote counting being influenced at presiding or returning officer's level, law enforcement officials taking over the control of polling centres allowing ballot stuffing, etc. All these can happen either by direct patronisation of the administration or because of their blindness.

Under an incumbent government, the Election Commission may not be able to exercise their full control over the field administration for various

reasons, but the most important is the "conflict of interest." This occurs when an individual's personal interests compromise his or her judgement, decisions or actions. A conflict of interest, since it blurs the normal judgement, must be taken very seriously while assigning important responsibilities. Deputy commissioners (DCs) and superintendents of police (SPs) – two main facilitators of an election – become so perniciously politicised during normal times and benefit from the ruling regime that they find it essential for their own sakes to keep the status quo. Under such a situation, assigning them with election-related responsibilities creates a strong conflict of interest.

An election process broadly consists of: (1) administering the voting and vote-counting process; and (2) maintenance of law and order. Election commissioners are tenured for five years with high status and handsome remuneration. This can provide a strong temptation for anyone to remain in that position for as long as possible, by any means. A long period also exposes the election commissioners to the risk of being politicised.

To resolve such conflicts of interest,

similar to the appointment of returning officers, election commissioners can also be engaged for a very brief period to conduct an election. Such individuals can be selected from retired people who have either never worked for the state or from those who left government service long before an election. Duties such as hearing election-related complaints and appeals can be outsourced to retired

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judges on an "appointed when required" basis. Returning officers should also be appointed from the pool of retired people – one for each constituency. There is a proposal that returning officers can be permanent officers of the Election Commission, but this will only shift the problem. As long as returning officers are being paid by the

state and dependent on paycheques for subsistence, they would remain under similar conflict of interest. Presiding officers may be sourced from private and government officials, as they are currently being appointed, but they must not be posted in their place of residence or work for election duties.

The members of Bangladesh Police work under high political exposure in their normal course of profession. This makes it difficult for them to act neutrally during elections. Solutions may include involving armed forces. For better supervision and to deploy forces with greater concentration, elections can be conducted in several days instead of one day. Battery-powered mobile CCTV cameras can be installed inside polling centres so that returning officers can monitor voting from control rooms.

In conclusion, I would like to emphasise that the root cause lies within the state and its different wings – legislative, judicial, and the executive. Complete overhaul of the past colonial system was necessary just after independence from the British Raj, but that never happened. People were kept unaware of the actual state of affairs for the perpetuity of the same class of leaders who had been in power since the days of Permanent Settlement. Maulana Bhashani said that very precisely, "If the peasants and working class are kept unaware of the system then it is easy to exploit – (but) if they become conscious of their rights, then tyrant regimes along with their flatterers are bound to collapse." The permanent solution of a free and fair election is to make the masses aware of the importance of their votes and voting.