

## Make healthcare an affordable dream

### Why are out-of-pocket healthcare expenses still so high?

There can be no excuse for why people's out-of-pocket (OOP) healthcare expenses are still so high in Bangladesh, except perhaps a lack of will to match government commitments with action. The situation warrants deeper scrutiny, especially after a report by the Health Economics Unit of the health ministry highlighted a stark contrast between government spending on healthcare and expenses borne by citizens. While the government is paying less and less, citizens are paying more and more, with about three-fourths of the overall health expenditure borne by the latter. This is really disturbing.

OOP expenses, it can be noted, are people's share of the expenses for medical care that aren't reimbursed by public or private insurances. A decade ago, the government had set a target of bringing OOP expenses down to 32 percent, and also increasing government expenditure to 30 percent by 2032. But halfway through that deadline, the situation has rather become worse. For example, in 2018, 2019 and 2020, the share of government in the national healthcare expenditure was about 28, 26 and 23 percent respectively, while the share of citizens was about 64, 66 and 69 percent respectively, as per the Bangladesh National Health Accounts (BNHA) 1997-2020 report. The World Health Organization (WHO) paints an even bleaker picture, saying OOP in 2020 was actually 74 percent of Bangladesh's national health expenditure.

This progressive downward spiral is the opposite of not just the government's own pledge in this regard but also the general practice in much of the comparable countries. The question is, why is the government so reluctant to spend in such a vital sector? Its reluctance was on full display when only 5.43 percent of the proposed budget for FY2022-2023 was earmarked for the health sector. The unfair burden imposed on citizens, as well as the rising cost of healthcare in general, means that many families are being pushed below the poverty line.

The rising cost of healthcare services is another worrying matter. The biggest contributor to this is the cost of medicine, followed by that of diagnosis. As per the BNHA report, of the total OOP expenses, about 64.6 percent is spent on medicine, 11.7 percent on laboratory charges, and 10.8 percent on doctors. The high prices of medicine are mostly propelled by unethical and unnecessary practices in the sector. Aggressive marketing, lavish packaging, and gifts for physicians are some of the reasons reportedly driving up prices. Unless the authorities take effective action to arrest this trend, the situation may worsen further in the coming years, especially as Bangladesh will have to pay more to import Active Pharmaceutical Ingredients as soon as it graduates into a middle-income country by 2026.

We must not let things deteriorate any further. Healthcare should be affordable for all, especially the poor, and the government has a huge role to play in this. Not only should it increase its own spending but it should also take steps to keep prices of medicine and diagnosis down, so that the overall cost of healthcare becomes bearable for citizens. The time to act is now.

## Another cost burden on the public

### BRTA must justify the latest increase in service fees with quality services

The rules of the Road Transport Act 2018 have finally been published, and alongside detailing the compensation that victims of road crashes can expect to receive, it has also been announced that the fees for 75 services provided by Bangladesh Road Transport Authority (BRTA) will increase by up to 233 percent. This includes the registration of vehicles, issuance of fitness certificates, route permits, and driving licenses.

The decision is expected to be put into effect within the coming two weeks. Transport operators have already declared that the cost will be passed onto the public. This is despite the fact that long suffering commuters have already seen a round of price hikes after the cost of fuel shot up in August last year.

The increase in the cost of BRTA services will be levied on private and commercial vehicles alike, but it is noteworthy that the charges for registering two types of motorcycles are some of the few services that have not gone up in price. Given that research from BUET last year found that Bangladesh has one of the highest death rates from motorcycle crashes in the world, this rather contradicts the government's promise to reduce such deaths on our increasingly violent roads. Conversely, the fact that fees for driving licenses, annual fitness checks of vehicles, and licenses for driving schools and instructors, among other services, have seen a sharp rise is worrying, too. Why increase the prices of the very services that can ultimately make our roads safer?

Having said that, if the provision of these services actually leads to greater road safety, as well as to qualitative improvement in the institutions that provide these services, then we believe that most people would be willing to bear the costs. However, that has hardly ever been the case in the transport sector. Instead, the ordinary public have continued to pay the price for the BRTA's ineffectiveness and inefficiency.

Last year, it was found that while the registration of vehicles has risen sharply, the number of fitness clearances had dropped to a seven year low. The BRTA's time consuming and difficult procedure for this, as well as the frequent requirement of bribes for officials and middlemen, have been cited as some of the reasons behind this. The scourge of fake driving licenses continues to plague us. And despite the Road Safety Movement and all the promises that were made after, 2022 has emerged as one of the most devastating years in terms of lives lost in crashes (6,548).

In such a scenario, simply setting up a compensation fund or making services more expensive will not restore the nation's faith in the BRTA. If prices go up, then it must go hand in hand with greater efficiency at BRTA and greater safety on the roads, instead of simply becoming just another burden on the public.

# EDITORIAL

## What is the state of Awami League as a political party?



### THE THIRD VIEW

Mahfuz Anam  
is the editor and publisher of  
The Daily Star.

MAHFUZ ANAM

One has to hand it to the Awami League (AL) for its capacity to coin appropriate party slogans that capture the imagination of the public, especially that of the youth, and give it a modern image, explaining in very simple terms what the party will aim for in the immediate future. For the past two elections, this slogan was "Digital Bangladesh." How effectively we were able to make it a reality is not the question. It made the party feel modern, and making itself a part of the contemporary world was the political goal, which it succeeded in doing.

For the coming election in January 2024, the slogan will be "Smart Bangladesh," to be achieved by 2041. Again a very well-chosen two-word slogan that encapsulates the task ahead. And a very cleverly woven and subtly implied message here is: "Keep us in power till then, so that we can deliver this promise."

So, is the Awami League a "smart party" that can deliver a Smart



PHOTO: STAR

Is the Awami League a "smart party" that can deliver a Smart Bangladesh?

### As it moves towards the next election, the question that will inevitably come to the fore is of how successful the Awami League has been in keeping its promises.

Bangladesh?

The 73-year old party re-elected its 75-year top leader for the 10th time in its 22nd triennial council on December 24, 2022. When Sheikh Hasina's present three-year term ends in 2025, she will have completed 45 years of continuously running the biggest and most significant political party in the country's history. Sheikh Hasina was two years old when AL was born in 1948, and has unquestionably been the most resilient, powerful, dominating, effective and successful leader that the AL has ever seen. As I wrote in my last piece, she is Awami League.

This brings us to the question: How healthy is it to have a political party in a democracy where nobody can contest for any post, however insignificant, and further still cannot even express his or her wish to do so and canvass for support and mobilise their team? After the formality of re-electing the president and secretary general, the Council unanimously empowered the party chief to name the rest of the full

committee. The culture of selection practised over many years saw a repeat.

Sheikh Hasina has run the party for the last 42 years and the government for the last 15 years (20 years, if we include her first term in office between 1996-2001). So, how has being in continuous power for so long, without any check and balance to speak of, affected the Awami League?

As it moves towards the next election, the question that will inevitably come to the fore is of how successful the Awami League has been in keeping its promises.

In their election manifesto of 2018, there was a section titled "Our Special Pledges" containing 19 items. Of those, ones like women empowerment, food security, use of digital technology, implementation of mega projects, energy security, mechanisation of agriculture, containing terrorism and extremism, elimination of poverty, and enhancement of facilities for the elderly, challenged people and those suffering from autism, are among the areas where moderate to considerable success has been achieved.

Some of the mega projects have been implemented in good time, but their cost escalation and overall fund repayment burden on the economy may come back to haunt us in the future. Energy security has come a long way, but the paying of capacity charges far beyond the needed period and the cost of transition to LNG will have to be seriously looked into in the

Corruption has been made a part of the everyday running of things, in which the ruling party can be said to have become an integral part. Nothing moves, attracts attention, and gets implemented without either influence or money.

The reputation of local AL bodies, the personal image of grassroots party workers, let alone of those holding higher positions all the way up to public representatives, have suffered deeply during the party's tenure in power. The activities of the local government, which is primarily an administrative function, has been usurped into the party. The election process itself has become so money-intensive that it almost naturally breeds high-level corruption, as the cost of getting "elected" has gone sky-high.

Corruption has not only eaten into our administrative processes, it has – most damagingly – eaten into the very entrails of the ruling party.

In its 2014 manifesto, the AL committed to eliminating "bribery, black money, extortion, corruption in the tendering process, and loan default" (what a joke the last one has become). Nine years on, where are we in implementing the above pledges? The answer is "blowing in the wind."

If we go further back, to the time when Awami League returned to power in 2008, what did it promise to the people? Under the section titled "What type of Bangladesh we want to see by 2021," it committed to

establish i) a credible election system, an accountable and transparent government, and take all measures to make parliament effective; ii) prevent politicisation of various state agencies and the bureaucracy, making qualifications, competence, honesty and seniority the only criteria for recruitment and promotions in the administration; and iii) inculcate tolerance, democracy, financial transparency, honesty and inner-democracy among all political parties and bring about a change in the political culture.

Reading what was pledged and experiencing what has been delivered gives us an idea of the state of politics in Bangladesh, and more so about the nature of our political parties (for BNP would replicate the same), and specifically that of the present ruling party.

Awami League today is a party far removed from the ideals of its birth and those of its most glorious phase – our Liberation War. Is its utterances of Bangabandhu's name with every breath more to follow the party line or to show respect to the Father of The Nation? In fact, it is my view that the biggest mistake that was made over the years was to make no distinction – especially in public – between those who genuinely love and respect Bangabandhu, and those who use his legacy to promote themselves. This is where the genuine and the fake got mixed up and the ideological Awami Leaguers got overwhelmed by the self-serving ones – the latter being far more conniving and richer, with an extraordinary ability to manipulate a situation to their advantage.

In this regard, the Chhatra League comes to mind. During the Six-Point Movement of 1966-67 and, far more so, during the 11-Point Movement of 1969-70, I, as a member of Chhatra Union (Matia Group), had almost daily interactions with the former as our two parties jointly participated in numerous demonstrations, meetings and street agitations. I remember being in the same procession as Sheikh Kamal and thousands of other Chhatra Leaguers, who personified the nationalist slogan "Jago, jago, Bangalee jago" far better than many in the Chhatra Union.

So what does the Awami League, that just concluded its 22nd party council, have to offer to the nation? If the party leadership is the same as before, then will they offer the same things to the nation as before?

During the last decade and a half of Awami League's rule, our development curve rose while our democracy curve fell. One can say that bridges replaced our voices. While we have more roads, higher per capita income, and rising exports, we also have less participation in governance, a weaker role in electing those who we want to represent us and, most importantly, are able to say far less than what we feel.

### PROJECT SYNDICATE

## Can China Save Its Economic Miracle?



Shang-Jin Wei  
a former chief economist at the Asian Development Bank, is Professor of Finance and Economics at Columbia Business School and Columbia University's School of International and Public Affairs.

SHANG-JIN WEI

China's recent decision to abandon its strict zero-Covid policy has led many to believe that its economy will bounce back. The Economist Intelligence Unit, for example, has revised its forecast for Chinese GDP growth in 2023 upward, to 5.2 percent. But growth recovery is not automatic, and China must contend with several challenges, including declining confidence among firms and households about their future incomes in the short run, insufficient productivity growth in the medium run and an unfavourable demographic transition in the long run.

Restoring confidence may be more important than expanding credit in the short run. Following a sustained period of repeated lockdowns, many small entrepreneurs and workers in traditional service sectors who have feared for their jobs and incomes are reluctant to make purchases. Likewise, many firms are wary of investing, after recent revenue disruptions and tighter regulatory scrutiny in education, tech, and other sectors. In a recent survey of domestic and foreign firms operating

in China, the Shanghai-based China Europe International Business School found that Chinese business confidence has sunk to a new low.

Pessimism can be self-fulfilling. If enough businesses and households lose confidence and cut their spending, there will be lower demand for products and services by other firms. But lower revenues would eventually hurt these firms' own upstream suppliers. To break the cycle of pessimism, Chinese policymakers must restore confidence in the short term. But their options are constrained. Making future policies more predictable would be very useful to enhance confidence, but policy predictability cannot be achieved by a simple government proclamation. While credit expansion would boost aggregate demand, it could have the undesirable effect of driving up inflation. Meanwhile, costly Covid-19 testing and quarantines have strained China's fiscal capacity.

One policy to consider is a time-limited reduction in sales and corporate income taxes. By reducing these taxes only temporarily, China could reduce

its government debt burden and stimulate household consumption. Similarly, a limited-term corporate income-tax cut could encourage more private-sector investment than an equivalent permanent reduction would.

To increase the pace of productivity growth over the medium term, the Chinese economy needs more than additional patents and software. It needs better allocation of resources across individuals, firms, and sectors. For example, by reforming the *hukou* household registration system, China could deploy the same amount of human resources more efficiently while improving social equity. Another step that could help boost productivity is levelling the playing field between state-owned and private-sector firms in obtaining bank credit and government licences.

To improve medium-term growth, China must heed the lessons of its own history and focus on removing barriers to market entry and entrepreneurship. An economy's growth rate comes from a combination of an increase in the average size of existing firms (intensive-margin growth) and an increase in the number of firms (extensive-margin growth). A study of the Chinese manufacturing sector that I co-authored with Xiaobo Zhang suggests that during the last few decades, extensive-margin growth accounted for about 70 percent of overall GDP expansion.

In the long run, the biggest

economic challenge facing China is the country's shrinking workforce. In contrast to economic competitors like Vietnam and India, China's working age population has been declining for almost a decade. Even if productivity growth remains constant, this demographic shift would lead to ever-declining GDP growth. Some policy measures, such as importing foreign labour en masse, might work but will likely lead to social or political complications. Others, such as attempts at increasing the birth rate, raising the retirement age, or boosting female participation in the labour force, do not look very promising.

Increasing the quality of the labour force, however, is a more realistic goal. For example, China could increase the average education level of its workforce by enhancing the retention and completion rates in high schools and vocational schools in rural areas. The ubiquity of smartphones and tablets offers a new potential avenue to improve workers' skills. But, after a period of tightening regulations on online education services, this may require a more permissive policy environment that encourages entrepreneurship in this area.

Finally, China should not be too obsessed with rapid GDP growth. It must instead focus on increasing per capita income and improving the quality of life. These intrinsically matter more to the Chinese people than GDP growth and do not depend as much on population size.