

Better policy needed to boost remittance

Authorities should take migrant-friendly initiatives to encourage them

With millions of its migrant workers spread around the world, particularly in the Middle East, Bangladesh could boost remittance inflow and thereby its forex reserves simply by following a "stick and carrot" policy: carrot (or incentives) for migrants sending in remittances through legal channels, and stick (or punishment) for hundi cartels/operators facilitating illegal transfer of remittances. Unfortunately, it has managed to do neither. Its current policy can be summed up as a jumble of part-carrot-but-no-stick measures. As a consequence, even after the biggest surge in its history of migrant worker outflow recorded last year, it didn't amount to a surge in remittance receipt.

In fact, according to a report by *The Daily Star*, while more than 11.35 lakh Bangladeshis left for jobs abroad in 2022 – nearly doubling the figure from 2021 when 6.17 lakh flew abroad – remittances sent in through formal channels actually registered a 6.65 percent drop. The amount in 2022 was USD 21.28 billion; in 2021, it was USD 22 billion. How to explain this inverse effect? Why have we failed to translate a record migrant outflow into an increase in remittance inflow?

This would be a worrying development at any time. But it has special significance now, coming as it does at a time when Bangladesh is struggling with a protracted dollar crisis to pay for escalated imports. Already, owing to lower remittance receipt and moderate export earnings, the country's forex reserves declined from the January 2021 high of USD 44.95 billion to a disquieting low of USD 32.52 billion earlier this week. Bangladesh desperately needs to shore up its reserves, and remittance – as a crucial player at both macro and micro levels of our economy – could do the trick.

The reasons for the decline in remittance numbers are not unknown. Many migrants choose unofficial channels because of the ease of sending money. Many have no legal status, which deters them from using official channels. Not having financial literacy, or sufficient incentives from the government, is also an issue. Hundi, for them, offers a more advantageous alternative. But most importantly, in recent times, the yawning gap in the dollar rates offered by the informal market and the banking channel has emerged as a big motivation for those using illegal channels. It's no surprise, then, that in a desperate bid to collect/process remittance, a number of banks are ignoring directives to not offer over Tk 107 for each US dollar coming in as remittance.

This speaks of a deeply unsustainable, unregulated foreign exchange ecosystem that neither serves the country nor the migrants in the long run. The authorities need to address this issue urgently. As economists have suggested, the central bank should allow a market-oriented exchange rate and beef up surveillance to rein in illegal transfer of remittances. The government also needs to take firmer action against hundi cartels, and raise awareness among migrants and their families about the importance of using formal channels. Increasing the government incentive on legal remittance transfer from the existing 2.5 percent to 5-10 percent, as an expert has suggested, can work as an extra motivation.

Stop polluting waters with untreated sewage

Dhaka Wasa's continued failure to prevent this is inexcusable

It is quite frustrating to learn that sewage from Dhaka's posh residential areas such as Gulshan, Baridhara, Banani and Niketan is landing, untreated, into nearby lakes and other water bodies as well as the open drains of Dhaka North City Corporation (DNCC), with Dhaka Wasa taking hardly any action to prevent it. There is no proper sewage management system in these neighbourhoods. According to a report by *Prothom Alo*, the DNCC mayor has launched drives in these areas against those responsible for polluting water bodies. Reportedly, the DNCC cleaning staff has stopped some illegal sewer connections temporarily by shoving banana trunks into the pipes. While the mayor deserves our support for taking some action against the law-breaking building owners of the areas, we need to look at the broader picture to fix the problem permanently.

Building owners, of course, are guilty of polluting the water bodies, but the main culprit is Dhaka Wasa, the agency responsible for taking care of the city's overall sewage management system. Reportedly, Wasa has been regularly charging sewer bills from city residents without providing them any service in this regard. As reported in the media, between FY 2018-19 and FY 2020-21, it collected Tk 1,066 crore from the residents for sewage treatment. While it took some projects to improve Dhaka's sewage management networks, we still do not know of any visible progress being made in this regard.

A *Prothom Alo* report from last year revealed how the sewage system of Dhaka has completely broken down over the last decades. The report also found that in over 80 percent of city areas, there was never any proper sewage management system in place. Often the pipelines are faulty, or the required treatment plants are missing. And it is because of Wasa's inefficiency, mismanagement and irregularities that the city still does not have such a system. The result of its inefficiency has been reflected in a survey done recently among 550 houses in Baridhara. It has been found that only five of all the houses surveyed have a proper sewage system, while 342 houses have sewage connections directly leading to open drains or lakes.

In such a situation, the drives conducted by the DNCC were more than necessary. This would not only give a message to the building owners that they cannot continue polluting water bodies, but would also put pressure on Dhaka Wasa to do its job properly. In recent years, the agency and its controversial, long-time managing director were repeatedly in the news for failing to perform their mandated responsibilities. Various allegations of irregularities have also been raised against the MD for which he must answer to the public.

In simple words, Dhaka Wasa must be held accountable for its failure to prevent wholesale contamination of our water bodies. It must be made to serve the residents.

Graduate unemployment: Who's to blame?



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A two-day-long job fair was hosted during January 7-8 in Gazipur, by the deputy commissioner of the district. The purpose was to help connect job-seekers and employers – a commendable objective. The event drew media attention when the minister of liberation war affairs, AKM Mozammel Haque, as chief guest, said, "Universities have become factories that churn out unemployable people. The resources and talents of the country are being wasted." He also observed that a job advertisement by the district administration for an office peon would attract applications from a thousand people with Master's degrees.

An Economist Intelligence Unit (EIU) report in 2014 had claimed that 47 percent of university graduates in Bangladesh were unemployed. That is almost half of the graduates. A 2017 Bangladesh Institute of Development Studies (BIDS) report went a step further and reported 66 percent unemployment among graduates.

The EIU report attracted media attention and was challenged on several counts. The method generally used for measuring unemployment did not capture the specific situation of the graduates. For instance, a portion of graduates did not accept jobs that did not meet their expectations in respect of salary, working conditions, or fit one's aptitude and field of education. A large number of women graduates, as many as one-third, chose not to be in the job market. The methodology of measuring unemployment does not account for underemployment (part-time jobs or jobs paying lower than comparable market wage), seasonal employment, and paid or casually paid employment in family enterprises. And the questions posed about the EIU report also could be asked about the BIDS report.

But to mention the failings of the EIU or BIDS reports is not to deny the problem with respect to both education and employment. It just points to difficulties of defining the problem.

In fact, having a higher youth (15-24 years) unemployment rate than the general unemployment rate is a global phenomenon. In Bangladesh, according to BBS, this stood at 10.6 percent in 2021, more than twice the overall national unemployment rate of 5.2 percent.

The populist remedies for youth and educated unemployment, echoed by the minister, include: providing more technical and vocational training

at tertiary and pre-tertiary levels; restricting expansion of and entry into higher education; providing more job-related academic programmes and courses; and making tertiary education more practical for life (besides just making students tech-savvy). There are also boilerplate demands for better teaching learning, curriculum reform, more research, and so on.

All these points have some validity, but taking each remedy in an isolated manner without a coherent and coordinated plan, and more importantly, not following through with effective implementation steps cannot produce the desired results.



VISUAL: TEENI AND TUNI

At the secondary level, in the last two decades, participation in technical-vocational education has risen from one percent to 15 percent, but the result has not been satisfactory with respect to training quality and marketability of learners. This is especially the case with vocational courses in general secondary schools.

Bangladesh actually remains behind many other developing countries in providing higher education opportunities. And so, employability of graduates has remained an issue.

With rapidly changing technology, labour market and job profiles, it is unrealistic to expect an arithmetic symmetry between skill requirements of jobs and what is learned in tertiary institutions. Universities can provide generic skills useful for a range of jobs. Job-specific skills are better acquired through internship, apprenticeship, induction training, short training courses, and on-the-job upgrading, which demand university-industry collaboration. This result is attained

when an acceptable quality of instruction is maintained.

The flexible supply-demand relationship in the job market puts a premium on the quality of education, irrespective of the subject or discipline of a student. This is where the greatest failure of Bangladesh's tertiary education system lies. When employers complain about not finding the workers they need, they are often talking about job-seekers lacking communication and literacy skills, the ability to think rationally and critically, computer skills, creativity, and soft skills such as working in a team, maintaining discipline, and taking pride in one's work.

There are policy and strategy measures needed in education, not just for higher education. A rapidly changing job market, dominance of digital technology in future jobs, and need for the capability to adapt to change and upgrade workers' skills accordingly demand an acceptable quality of general secondary schools. The secondary level – as provider of

foundational competencies for the future workforce of the nation (in both the formal and informal economy) – has to ensure that competencies in language and communication, maths, and science are acquired by all to an acceptable level. The beginning, in fact, has to be made in the early childhood development stage and must continue through primary and secondary education.

All the deficits of school education cannot possibly be overcome at the tertiary level when students already arrive there unprepared in terms of the basic skills and knowledge needed to pursue higher education at colleges, universities, and higher level technical training institutions. But there is a lot that also has to be done to improve the performance of tertiary education.

A Strategic Plan for Higher Education Development (SPHED 2018-30) was prepared by the University Grants Commission (UGC) with assistance from the World Bank. The president of the country (as the chancellor of

universities), the prime minister, and the then education minister wrote messages endorsing the plan and encouraging its implementation.

An initiative, with government approval and Unesco and Global Partnership for Education support, to develop an education sector plan was undertaken and a draft was prepared in 2020. The education authorities, for reasons not quite comprehensible – except perhaps customary inertia and a preference for the status quo – have not taken any steps to move it forward. The draft sector plan for Bangladesh sits idle on the website of the Global Partnership for Education. Meanwhile, the first five-year phase of the strategic plan for higher education approved by the government passed without any demonstrable steps taken for implementing it.

A few of the key points of the SPHED and the draft education sector plan worth highlighting are: a) Political and administrative decision-makers should vow to protect higher education from destructive, shortsighted and politically-motivated decisions and actions.

b) The highest priority should be given to bringing institutions up to agreed-upon standards and no new institutions should be established without a guarantee of maintaining these standards for physical facilities, teaching personnel, and educational activities.

c) An urgent action plan should be initiated for colleges under the National University regarding physical facilities, teaching staff, and accountable management; division-wise affiliated universities should be set up as anticipated in the Quadrat-e-Khuda Education Commission.

d) The UGC should be transformed into a Higher Education Commission with the authority, capacity, and resources to supervise the quality improvement of public and private higher education entities.

e) The 1973 public university ordinances and the 2010 Private Universities Act should be appropriately amended, balancing academic autonomy, fostering an academic environment, and promoting accountable governance.

f) Investment and capacity-building in educational technology should lead to widespread adoption of blended learning among all institutions and learners.

The way ahead lies in a strategic agenda, based on a social compact to promote the complementarity of public and private contributions within a regulatory framework aimed at optimising the "public good" aspects of skills development and tertiary education.

The irony is that this is a political settlement challenge, which has hindered progress so far.

PROJECT ■ SYNDICATE

America's missing ambassador to India



AWAKENING INDIA

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SHASHI THAROOR

The recent decision by President Joe Biden's administration to renominate former Los Angeles mayor Eric Garcetti to be US ambassador to India has highlighted the peculiar state of the bilateral relationship.

Since Biden took office two years ago, the US has not had an ambassador in New Delhi – and this at a time when the US is assiduously courting India as a potential counterweight to China in the Indo-Pacific. Together with fellow Quad members Australia, Japan, and the US, India is essential to maintaining the balance of power in the region. And as a member of the fledgling I2U2 partnership, which also includes Israel, the UAE, and the US, India has a crucial role to play in containing Chinese influence in the Middle East.

Given India's strategic importance, why has the White House left the ambassador position vacant for two years? The answer has nothing to do with India.

Garcetti was nominated in July 2021, a few months into the new administration. But his Senate confirmation ran into trouble over

allegations that, as mayor, he ignored sexual harassment complaints against one of his aides.

Garcetti's alleged awareness of his aide's misconduct and his failure to act led some Democrats to join Republicans in refusing to call a vote on his appointment. In April, nine months after his nomination was announced, Senate Majority Leader Chuck Schumer admitted that he might not have the votes to confirm Garcetti, leaving the ambassador position in limbo.

Indian officials, initially nonplussed, became irritated. Over the past 20 months, several US envoys served as chargé d'affaires at the New Delhi embassy, but they were all transferred and replaced before they could establish the local relationships vital to their success.

The absence of a US ambassador has raised questions about America's commitment to deepening ties with India. Biden has called the US-India partnership "one of the most important relationships we have" and hailed the country as an "indispensable" partner. But the

administration's inability to name an ambassador has led some Indians to wonder whether the US would have left the same post in London or Paris vacant for so long.

Meanwhile, the strategic relationship between the US and India has never been more crucial. For years, India resisted pressures to take sides in the US' escalating rivalry with China. But China's recent encroachments on Indian territory in the Himalayas have caused India to challenge Chinese expansionism.

India is also an important economic partner. The US is one of the subcontinent's biggest sources of foreign direct investment, with annual FDI standing at USD 45 billion in 2021. Unnerved by China's dominance over global supply chains, US officials have been encouraging domestic companies to establish manufacturing bases elsewhere, placing India at the centre of the administration's "friend-shoring" agenda. Apple, for example, is expected to produce roughly 25 percent of its iPhones in India by 2025. Similarly, the Indian pharmaceutical industry is capable of replacing China as America's main supplier of common generic medications.

But the failure to confirm Garcetti has undermined this mutually beneficial relationship. His confirmation struggles aside, Garcetti is a good choice for the post. He is young (51) and energetic, and his close relationship with Biden suggests that he would enjoy direct access to the president.

Having a US ambassador who has the president's ear is advantageous for the host country. Roosevelt House, as the ambassador's residence in New Delhi is called, has been occupied by colourful figures like economist John Kenneth Galbraith, who famously went straight to his close friend President John F Kennedy whenever he wanted to bypass State Department bureaucracy, including during the Sino-Indian War.

While White House officials shrug and privately blame the Senate confirmation process for the absence of a permanent ambassador, the question remains: If India matters as much as the US says it does, why has the administration not acted more forcefully to get its nominee confirmed?

India, which assumed the G20 presidency in December, fits remarkably well into America's global vision, and the two countries have much to gain from cooperating on common concerns such as climate change and Islamic terrorism. While they seem to disagree on how to contain China's rise, that is all the more reason to ensure that the mechanisms of diplomacy are functioning properly.

Above all, the White House must expend the political capital necessary to confirm an ambassador who can cultivate the personal relationships needed to maintain America's most important partnership in Asia. It is time for the Biden administration to get its act together and put Garcetti on a plane to New Delhi without further delay.