

## Why must Bangladeshis bear huge medical costs?

Govt must invest much more and wisely in healthcare

Although we have been well aware that Bangladeshis, especially those in lower income brackets, have to bear an enormous financial burden when they seek healthcare services, to know that we are well behind our South Asian neighbours is a jarring wake-up call. A recent study by the World Bank found that out-of-pocket spending (OOPS) accounted for 73.9 percent of health expenditure in Bangladesh. Meanwhile Nepal's was 58 percent, India's 55 percent, Pakistan's 54 percent, Sri Lanka's 46 percent, and Bhutan had the lowest OOPS at 18 percent.

What this tells us is that Bangladesh has done precious little in terms of investing in primary healthcare, which is a fundamental element for a country's social development. The media has extensively reported on how overburdened and understaffed our public hospitals are, as well as on the pathetic state of the upazila health complexes that are supposed to provide citizens with primary healthcare. In remote areas such as the chars, the situation is even more frightening, with no emergency care for miles leading to avoidable deaths, especially of expectant mothers. As government hospitals are often inaccessible due to being overburdened, people seek healthcare in private clinics and hospitals and have to pay exorbitant bills, often by selling assets such as jewellery or land or by borrowing money. In fact, from 2000 to 2017, the OOPS more than quadrupled, says the WB study. The report further found that the eighth five-year plan concludes that "rising out-of-pocket spending undermines poverty reduction efforts."

We agree with the WB that the government must make major health financing reforms and significantly increase public financing for the health sector. It is disappointing that, while the government has embarked on huge, costly, infrastructural projects when it comes to developing the health sector, the efforts have been grossly inadequate.

Bangladesh should adopt the examples of other countries that have successful national healthcare systems and incorporate these models in our own health sector. As suggested, Indonesia is a good example where primary healthcare is part of a new national insurance system which makes basic medical care and facilities available to all citizens. But even within Bangladesh, there have been successful private models that can easily be replicated in a national health plan. Health facility budgets at upazila health complex facilities and union health and family welfare centres must be ensured and increased according to the needs of the local population. As recommended by the study, the government can also explore a capitation payment model in primary healthcare where a fixed remuneration is given in advance to the provider for each patient and per unit of time, regardless of the extent or amount of healthcare services the patient avails.

Access to healthcare is a basic right of all citizens. It is unacceptable that people either suffer in silence when they are sick or are forced to sell their limited assets or borrow money to pay hospital bills. By investing in a functional, efficient, and corruption-free healthcare system, the government will gain unprecedented boosts to its developmental goals – which we desperately need.

## AL needs to hold accountable its members

Ruling party affiliation should not place anyone above the law

That a section of Awami League (AL) leaders and its associate bodies, whose names came up in the illegal casino business scandal, are out on bail and reportedly have become active in politics again is a perfect example of how lack of accountability has become the norm within the ruling party. Despite drumming up a tremendous amount of hype about its "anti-corruption" drive – which led to the so-called crackdown on gambling, extortion, land grabbing, and other forms of corruption with raids at five sporting clubs – the government ultimately seems to have done all these as an eye-wash.

After a series of raids in 2019, more than 250 people, including at least 11 leaders of different organisations affiliated with the ruling AL, were arrested. Most of the top leaders who were allegedly involved with such crimes, however, are now out of jail. And although they are yet to be restored to their previous political posts, they are still carrying out political activities and lobbying top AL leaders to regain their level of influence. Some of these individuals who had amassed huge amounts of questionable wealth, as discovered by law enforcers, are having their loyalists appointed as top leaders of the ruling party. Essentially, they have indirectly reclaimed their influence within the ruling party.

What messages are these incidents supposed to send to the people of this country? That no crime is punishable as long as one is affiliated with the ruling party, as that supposedly places one above the law? Every day now, we see news reports of the Bangladesh Chhatra League (BCL) beating people up and being involved in various types of atrocities, as well as criminal activities. Is it any wonder how BCL members are regularly committing such crimes? When the message they receive is that those involved in criminal activities from within the party can get back to politics one way or another and not be punished in any way shape or form, why wouldn't that embolden criminal elements from within the BCL to run amok?

The ruling party's willingness to allow BCL members who commit atrocities against the general public to get away scot-free will no doubt create significant amounts of resentment among the populace. Additionally, not holding to account the AL leaders who were directly involved with – and in some cases, masterminded – gambling, extortion, land grabbing, etc will also alienate the public and set a terrible precedence in terms of upholding the law of the land.

Before the general election, the any party should look to win the hearts and minds of the people. And for AL, one of the best ways of doing that would be to cleanse its ranks of all criminal elements. There must be accountability for ruling party affiliates who commit crimes.

# EDITORIAL

## Our chronicle of shoddy gas exploration



Dr Badrul Imam  
is honorary professor at  
the Department of Geology,  
University of Dhaka

BADRUL IMAM

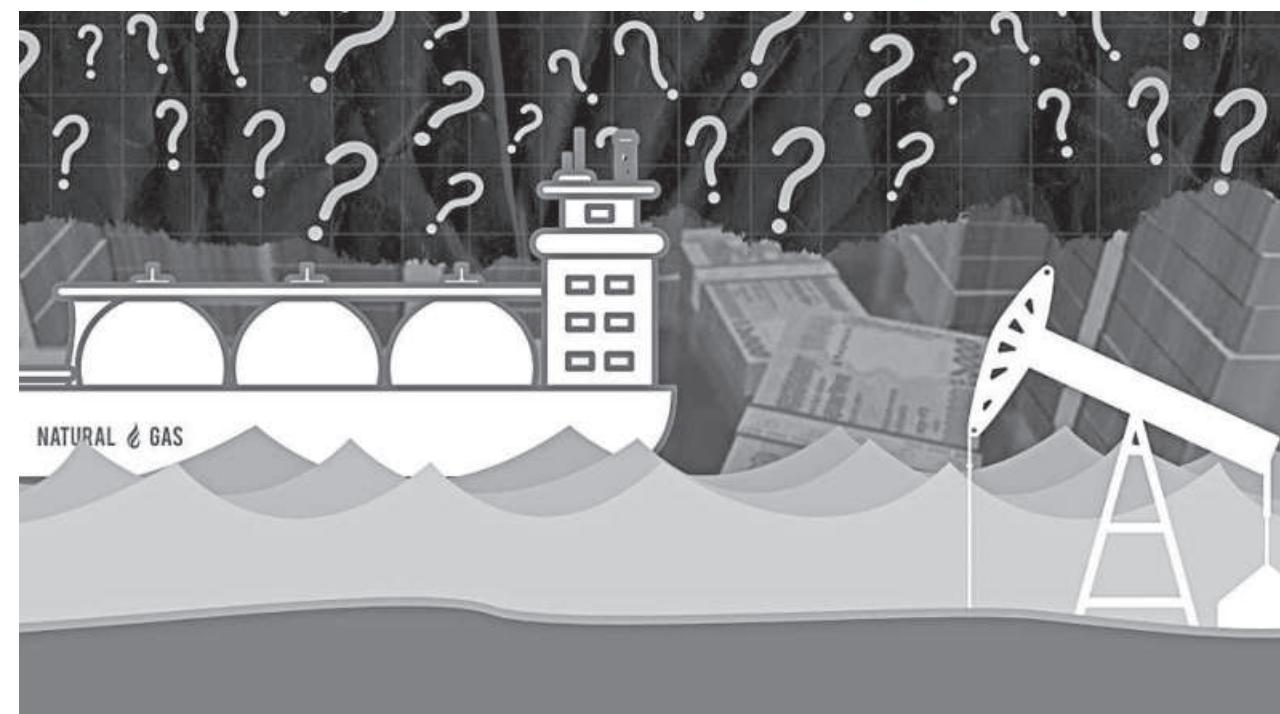
In the 1960s, the discoveries of five large gas fields, by international oil company Shell, placed Bangladesh in the list of gas-rich provinces. However, this was not followed by similar exploration successes in later years. Exploration remained behind for decades to follow. Chronically poor exploration in a prospective gas-rich country means the gas supply remains below demand and the industrial and economic growth are consequently held back. And, in the 22 years after 2000, Bangladesh drilled 26 exploratory wells – a mere one well per year on average. The above record has given way to one of the least explored hydrocarbon basins in the world.

Realising that increasing dependence on imported LNG renders gas supply vulnerable to unpredictable economic shocks, the government has lately decided to ramp up exploration and development of its own gas in the country. This move, late but better than never, is welcome because of the fact that geoscientists have long been suggesting that significant gas resources still remain underground in the country, and the present gas demands may well be met through extracting our own gas. Experts opine that Bangladesh could stay put on the import of LNG for several years until its own gas resources are exhausted.

In August 2022, Petrobangla, the government agency for oil and gas exploration, production, and transmission, announced a programme for drilling 46 wells in three years (from 2022 to 2025). These include 17 exploratory wells, 12 development wells, and 17 workover wells. When drilled, these wells could reportedly produce 618 million cubic feet of gas per day (mmcf/d) by 2025. This is equivalent to the amount of gas imported in the form of LNG at present.

To put it simply: a) an exploration well, if successful, adds new gas fields and reserves to the country; b) a development well refers to a well drilled in an already known gas field to enhance the gas production of that field; and c) the workover well refers to a discovered but abandoned well that stopped production previously but will now be "worked over" to extract any leftover gas using repairment and readjustment.

In February 2023, just six months



after its announcement, Petrobangla rescheduled the programme of drilling the 46 wells by reducing its timeframe by one year – meaning the 46 wells will now be drilled over two years instead of three years. So, five of the exploratory wells will be drilled in 2023 and 12 will be drilled in 2024. Given that Bangladesh currently drills about one well per year, aiming to drill 12 exploratory wells in a year is certainly ambitious. One may well wonder what's wrong with being ambitious.

It was some time ago that Petrobangla had announced another programme of drilling 108 wells in the five years between 2016 and 2021. Among these, 55 wells were supposed to be exploratory (meaning 11 exploratory wells per year). But this programme, which received a lot of media attention, has failed to be implemented and was scrapped.

Bapex, the exploration wing of Petrobangla, has the capacity of drilling three wells per year under its present logistical and technical manpower support. So, to drill 12 exploration wells in one year, the programme plans to outsource the drilling job. This may seem logical, but how practical would it be to outsource the drilling of so many wells in a single year? There were

managerial issues that went seriously wrong during the previous round of outsourcing the drilling of wells. Often, the arrangement ended in conflict, complaints, and even with international lawsuits running for years.

The drilling of the Begumganj-4 well, for instance, was outsourced to the state oil company of Azerbaijan, Socar. The latter entered into financial

drilling 46 wells to complete in only two years is not considered wise or practical by technical people in Bapex. Such decisions are presumed to be imposed on Bapex by people from higher up in the administration who do not have a good idea of the practicality of these decisions at the ground level. There are risks of failure when hastily drilling large numbers

VISUAL: TEENI AND TUNI

of wells in too short a period of time. Besides, an extra year is insignificant when the country has been suffering from gas shortages for so many years.

Now that Petrobangla plans to ramp up onshore gas exploration, there is an urgent need to launch offshore gas exploration programmes in earnest as well. In 2014, the country was awarded territorial and economic rights over a vast offshore area in the Bay of Bengal following the settlement of maritime boundary disputes between Bangladesh, India, and Myanmar. While we really enjoyed marvelling over the idea of a blue economy, we did little to unravel its potential. Years of delay in opening up the offshore for international oil companies (IOCs) put Bangladesh way behind its neighbours Myanmar and India, who have experienced successful gas exploration.

Petrobangla had planned to launch the Bangladesh offshore block bidding by December 2022. But the slow pace of administrative steps has apparently delayed this from happening still. A revised model PSChas been formulated to better attract IOCs. It is high time that this is launched immediately to begin offshore exploration in earnest.

and managerial conflict with Bapex and the situation turned so bad that Socar left the country without drilling the well and both parties ended up at international court against each other. The case is still pending and the Begumganj well cannot be drilled by Bapex until the case is resolved. A similar lawsuit is active at the International Centre for Settlement of Investment Disputes (ICSID) between Bapex and Canadian company Niko with respect to drilling in Chittagong gas field. Niko carelessly blew up the well and Bangladesh took the company to court for compensation. This case has been running for 17 long years, with Bapex not being able to produce gas from the Chittagong field until the case is settled. This is despite the fact that Bangladesh is quite starved for gas and has had to resort to buying from the very expensive LNG market.

Another criticism of outsourcing well-drilling is that foreign companies are often given undue privilege by Bangladesh. Gazprom, for example, is engaged in drilling several of Bapex's wells at a cost more than double what it would have cost for Bapex to drill the wells.

Rescheduling the programme of

### PROJECT SYNDICATE

## Who stands for freedom?



Joseph E. Stiglitz,  
a Nobel laureate in economics,  
is professor at Columbia  
University and a member of  
the Independent Commission  
for the Reform of International  
Corporate Taxation.

JOSEPH E. STIGLITZ

The Republican Party has long wrapped itself in the American flag, claiming to be the defender of "freedom." The GOP believes individuals should be free to carry firearms, spew hate speech, and eschew vaccines and face masks. The same goes for corporations: Even if their activities destroy the planet and permanently change the climate, the "free market" should be trusted to sort things out. Banks and other financial institutions should be "liberated" from regulation, even if their activities can bring down the entire economy.

Following the 2008 financial crisis, the pandemic, and the acceleration of the climate crisis, it should be obvious that this conception of freedom is far too crude and simplistic for the modern world. As the great twentieth-century philosopher Isaiah Berlin put it: "Freedom for the wolves has often meant death to the sheep." Or, put another way, freedom for some is unfreedom for others.

In the United States, the freedom to carry guns has come at the expense of the freedom to go to school or the store without being shot. Thousands of innocent people – many of them children – have died so that this particular freedom can live. And millions have lost what Franklin Delano Roosevelt thought was so

important, the freedom from fear.

There is no such thing as absolute freedom within a society. Different freedoms must be balanced against each other, and any reasoned discussion among typical Americans would inevitably conclude that the right to an AR-15 is not more "sacred" than others' right to live.

In complex modern societies, there are innumerable ways that one's actions can harm others without one having to bear any consequences for it. Social media platforms constantly pollute our "information ecosystem" with disinformation and content that is well-known to cause harm. While the platforms present themselves as neutral conduits of information that is already out there, their algorithms are actively promoting a socially harmful substance. But, far from paying any costs, the platforms are reaping billions of dollars in profits every year.

The US tech giants are shielded from liability by a 1990s-era law that was originally designed to foster innovation in the inchoate digital economy. The US Supreme Court is now considering a case involving this legislation, and other countries around the world are also questioning whether online platforms should be able to avoid accountability

for their actions.

For economists, a natural measure of freedom concerns the range of things one can do. The greater one's "opportunity set," the freer one is to act. Someone on the verge of starvation – doing what they must just to survive – effectively has no freedom. Viewed this way, an important dimension of freedom is the ability to realise one's potential. A society in which large segments of the population lack such opportunities – as is the case in societies with high levels of poverty and inequality – is not really free.

Investments in public goods (such as education, infrastructure, and basic research) can expand the opportunity set for all individuals, effectively enhancing the freedom of all. But such investments require taxes, and many individuals – especially in a society that valorises greed – would rather free ride, by avoiding paying their fair share.

This is a classic collective action problem. Only through coercion, forcing everyone to pay their taxes, can we generate the revenue needed to invest in public goods. Fortunately, all individuals, including those who have been forced against their will to contribute to society's investments, may be better off as a result. They will live in a society where they, their children, and everyone else has a larger opportunity set. In such circumstances, coercion is a source of liberation.

Neoliberal economists have long ignored these points and focused instead on "freeing" the economy of what they view as pesky regulations and taxes on corporations (many of which have benefitted massively from public expenditures). But where would

American business be without an educated labour force, the rule of law to enforce contracts, or the roads and ports needed to transport goods?

In their new book, *The Big Myth*, Naomi Oreskes and Erik M. Conway show how business interests managed to sell the American public on the staunchly anti-government, "free market" vision of capitalism that emerged in the decades after World War II. The rhetoric of "freedom" was key. The captains of industry and their academic servants systematically re-characterised our complex economy – a rich matrix of private, public, cooperative, voluntary, and not-for-profit enterprises – as simply a "free enterprise" economy.

In books like Milton Friedman's *Capitalism and Freedom* and Friedrich Hayek's *The Road to Serfdom*, capitalism was crudely equated with freedom. Central to this vision of capitalism is the freedom to exploit: Monopolies should have unfettered power to trample potential entrants and squeeze their workers, and firms should be free to collude to exploit their customers. Whatever we call it, it is not an economy that we should want; it is not one that promotes broadly shared prosperity; and the greedy, materialistic individuals that it rewards are not who we should want to be.

Yes, we desperately need free markets, but that means, above all, markets that are free from the strangulation of monopoly and monopsony, and from the undue power that big businesses have amassed through ideological myth-making.

Copyright: Project Syndicate, 2023.  
www.project-syndicate.org (Exclusive to The Daily Star)