

## The Daily Star

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### Hope in the time of energy crisis

#### India-Bangladesh Friendship Pipeline to reduce cost and time of fuel transportation

We are delighted to see the opening of the India-Bangladesh Friendship Pipeline – the first cross-border energy pipeline between the two neighbours – which comes at a time of great uncertainty over the future of Bangladesh's embattled energy sector. Prime Minister Sheikh Hasina and her Indian counterpart Narendra Modi jointly inaugurated the pipeline through a video-conference on Saturday. Speaking at the event, Sheikh Hasina said that it will "play a pivotal role" in ensuring Bangladesh's energy security. In his speech, Modi termed the initiative an "excellent example" of increasing connectivity between the two countries.

On the opening day, around 90 lakh litres of diesel were reportedly imported through the pipeline, which stretches 126.57km into Bangladesh's territory and 5km into India's. The project is part of a 15-year deal under which Bangladesh will import 2.5 lakh to 4 lakh tonnes of diesel from India annually. As per the Indian Ministry of External Affairs, the operation will put in place a sustainable, reliable, and cost-effective mode of transporting fuels. From an environmental perspective, the pipeline carries some natural risks though, as all oil pipelines do. It's a risk that the whole world shares, with more than 24,000km of new oil pipelines currently under development globally. However, the pipeline will still be an improvement over the current mode of transportation from India, while serving a practical purpose for Bangladesh as well.

Reportedly, the pipeline will reduce the time of transportation to just one hour, as opposed to the several days it takes to transport diesel via freight wagons and trawlers from the Chattogram and Mongla ports, thus ensuring a faster supply to our northern districts. It will also reduce the cost of transportation, if not the cost of fuel itself. There is, therefore, much to be hopeful about the project, if it is implemented properly. This is where we need to be careful going forward.

There is no denying that Bangladesh is going through a difficult phase at the moment, because of its protracted dollar crisis as well as disruptions in the global energy sector following the Russia-Ukraine war. Most of the public transport in Bangladesh runs on diesel. In recent months, the rise in the cost of fuel imports, particularly diesel price, has had the most telling impact not only on food and non-food inflations, but also on most of the components of the consumer price index (CPI). As well as external factors, there have been internal challenges including long-standing governance issues like mismanagement and irregularities in relevant state institutions, which compounded people's suffering.

We hope these issues will not be a factor in the pipeline project, which can offer an answer to some of the concerns over diesel pricing. Over the last five decades, India-Bangladesh ties have led to significant achievements in cross-border trade and connectivity. The inauguration of the pipeline has opened a new chapter in our bilateral relations. Going forward, we need to build on that so we can protect our long-term interests, not just in the energy sector, but in other areas as well.

### Rab must answer for latest killing

#### The way it conducted its operation in a Narayanganj village is concerning

We are alarmed by the news of the death of a 65-year-old man during a raid by the Rapid Action Battalion (Rab) in a Narayanganj village recently. Reportedly, at midnight on March 17, a team of Rab-II went to the Bargaon village in plainclothes to arrest a man who, Rab officials claimed, was a suspect in a murder case. As they picked him up from his house, his family members protested, urging them to reveal their identity. But Rab members reportedly didn't do so, instead threatening them for asking questions. Seeing plainclothes men take away one of their neighbours, villagers soon came out of their houses and engaged in altercations with the Rab members, thinking they were robbers.

At one point, Rab shot the victim, Abul Kashem, in the stomach from close range, while also shooting another in both legs. According to Ain o Salish Kendra, this is the fifth killing in "gunfights" involving Rab since the US sanctions imposed on it on December 10, 2021.

The incident raises serious questions about Rab's way of conducting operations in which public rights seem to be not inalienable. Such actions also make them lose their credibility as an elite force. In this particular incident, it is clear from the villagers' account that they didn't know that the men raiding the so-called suspect's house were actually Rab members, who only disclosed their identity after villagers clashed with them.

However, as in most such cases, Rab members gave a completely different account of the incident. According to them, some armed miscreants attacked them during their operation despite knowing their identity, and they fired gunshots in self-defense. Sadly, this is not the first time that we have heard such claims from Rab. This has, in fact, become the default narrative of Rab whenever a civilian is killed or harmed extrajudicially.

Rab must answer some questions relating to Friday's incident. First of all, why did they go to arrest a man from his house in plainclothes? When the villagers asked them to reveal their identity, why didn't they do it? Also, can they pick up a man – whether a murder suspect or any other criminal – in the middle of the night without any arrest warrant? Why would an innocent man have to lose his life for defending the right of a fellow villager?

We must recognise Rab's achievements in neutralising terrorist elements in the country, but the way they sometimes deny citizen's rights while conducting their operations is not acceptable at all. While deaths and injuries at the hands of Rab members keep happening, we have hardly seen any proper action to hold to account those responsible for them. We demand an independent investigation into the latest incident, and hope that those involved will be brought under the law. Such incidents must never happen again.

# Navigating sky-high prices in Ramadan



## MACRO MIRROR

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During Ramadan, while people fast, the market shows its wrath through yet another spell of price hike of essential commodities. This trend operates irrespective of the global economic crisis. Market players take advantage of the higher demand for a few commodities during this month. However, inflationary pressure has continued to prevail for several months now.

Globally, what had started with the supply shortages and logistical constraints during Covid-19 has now become a new normal during the ongoing Russia-Ukraine war.

In August 2022, the inflation rate reached 9.5 percent, the highest in several years. Till January 2023, the inflation rate was on a declining trend but has now increased again. According to the Bangladesh Bureau of Statistics (BBS), inflation increased to 8.78 percent in February 2023 from 8.57 percent in January 2023. The import ban on many items (in view of depleting foreign exchange reserves) has also added to inflationary pressures. During July-January of FY 2022-23, import growth was negative, resulting in some improvement in our current account deficit. Still, import restrictions are hampering businesses due to their raw material needs.

For low income earners, high prices of essential commodities have led to a significant reduction in their purchasing power. There has not been an increase in wages to match the price hikes. So, people are struggling to manage daily necessities for their families. Middle-income households are forced to cut down on many expenses and make significant lifestyle adjustments as they feel the pinch of the increased costs of living. The most vulnerable groups such as daily wage labourers, low-income people, small business owners, and informal sector workers with limited savings and meagre incomes are forced to resort to various coping mechanisms. They have already exhausted their savings and are compromising on the quantity and quality of food, taking on additional work, and relying on informal credit. Unfortunately, the average inflation rate does not reflect the actual market situation as prices of some commodities have gone up much more



PHOTO: RAJIB RAIHAN

than the national inflation rate.

Addressing the ongoing inflationary pressure requires careful and coordinated measures that combine fiscal and monetary policies. However, there has not been much change in policies, resulting in limited success in containing inflation.

In case of monetary policies, the central bank has increased the interest rate of consumer loans to 12 percent, up from nine percent in the Monetary Policy Statement for January-June 2023. However, the ceiling of interest rate on most other loans remains unchanged, though private credit is growing during this time of high inflation.

In Bangladesh, interest rate based monetary management largely remains beyond the purview of policymakers. To contain the current inflation, central banks in several countries have used interest rates as a tool to control credit growth and consumer demand. However, in Bangladesh, there is always resistance from entrepreneurs against interest rate hikes. Moreover, high costs of production due to higher energy prices have strengthened their arguments, as it could hurt their competitiveness.

However, competitiveness depends on several other factors, including efficiency of institutions and good governance. These are essential for increasing productivity and efficiency of the private sector which will help them in cost reduction. If these issues are sorted out, the rest of the problems can be resolved. Unfortunately, often economic decisions are influenced by

reduced due to lower imports.

The ongoing high inflationary situation also calls for direct support to poor and low-income families. There should be an effective and enhanced public food distribution system (PFDS) so that a larger number of people can access cereals such as rice and wheat. During Ramadan, the government should increase the

non-economic factors.

In the case of fiscal measures, there is no change in the pattern of public consumption expenditure even though there were decisions on lowering expenditures for projects on the basis of their priorities. The revised Annual Development Programme (ADP) does not hint at containing inflation through reduction in public consumption expenditure. Instead, it follows the same trend, ignoring the current realities. On the other hand, the foreign-financed portion of the ADP has been reduced even though these projects should be given priority during a dollar crisis.

Besides, government borrowing from Bangladesh Bank is increasing in the current fiscal year compared to FY 2021-22. Higher borrowing could increase inflationary pressure since people will have more money in hand to spend. Since domestic resource mobilisation through taxation continues to be low, the government has to rely more on the banking system for additional funds. The current fiscal year has been more difficult for revenue collection due to lower direct tax as business profits are declining and customs tariffs have

supply of essential commodities for distribution through open market sales (OMS). The government should also provide essential items such as edible oil, sugar, lentils, onions, and chickpeas at affordable prices to low-income households.

However, there are challenges for efficient management in distributing these commodities since the beneficiary list is problematic. It must be ensured that only eligible individuals can access these commodities at the lower prices.

To relieve the people of inflationary pressure, the government should provide direct cash support to the poor. The amount of allowances under social safety net programmes for the poor should be increased. There should be enhanced social protection for low-income families and stimulus packages for small businesses so they can survive these trying times.

Arresting high prices requires more focused and extensive actions by the government. It requires an integrated policy framework within which fiscal and monetary policies can function effectively in a coordinated manner. And, as of yet, this has been missing.

# Why we must adopt value-based healthcare



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ABM UDDIN

"I do not want to fix this hospital anymore. I do not want to fix this system; I want to tear it all down and build something better," said the character of medical director Dr Max Goodwin on the TV show "New Amsterdam". With that motto, he eventually turned the profit-oriented fee-for-service-based public hospital into an empathetic, patient-centric, whole-person care facility.

To begin, the freshly minted hospital director fired entire departments, hired new employees, and then turned the revenue-focused physicians into "real doctors" through motivation and incentives, and finally transitioned the facility into the epitome of value-based care!

The punishing healthcare costs in Bangladesh summon the need for medical directors like Dr Goodwin. Our healthcare system is broken. The fee-for-service model, in which providers unfairly charge patients for each and every service, has become an anathema for those seeking healthcare. The system allows providers to operate in a zero-sum game at the expense of patients. Patients and their families hang in the balance, not knowing how much the bill will be or whether they can even pay the sum. The issue has become unbearable, and we need to move to value-based care or whole-

person care, which benefits both patients and providers.

Michael Porter and Elizabeth Teisberg have popularised value-based care through their masterpiece book "Redefining Health Care: Creating Value-Based Competition". Value-based care measures "patient outcomes per unit of costs". In this model, providers look at the full cycle of care over a patient's lifetime rather than providing intervention for a specific medical condition. It involves monitoring, prevention, treatment, and disease management so that ailments can be detected early on and dealt with. The focus is on prevention rather than cure.

In value-based models, healthcare systems not only provide medical care but also tackle non-medical factors that impact a patient's health such as housing, neighbourhood, employment, stress, social isolation, bereavement, emotional issues, etc. Providers take a 360-degree look at the patient's socio-economic conditions and take great care to treat the whole person. They collaborate with government agencies, social organisations, community-based providers, and others to help clients meet their needs.

Unfortunately, Bangladesh's healthcare system cannot be farther from this model. Of course, recently,

lump-sum capped payments for clinically defined episodes of care are beginning to come up in the form of temporary prepaid health insurance. But these types of insurance coverage are nothing but charades as they limit the amount and level of care obtainable within the period covered. They promote too much care or too little care or only a modicum of proper care, and patients fall for these ineffective "benefits". In fact, these new trends are more provider-centric than patient-friendly.

Bangladesh must implement strategies to promote whole-person care.

First, the government must develop policies to transition from the fee-for-service model to a value-based care system. It must reward good behaviour and punish bad practices. The authorities must determine the cost variance for diagnosis and treatment of various medical conditions to limit health systems' abilities to flex their muscles when it comes to costs. This will discourage providers from taking patients hostage with their whimsical and unethical practices.

Second, we must invest more heavily in health information technology. Unfortunately, in Bangladesh, digitisation in healthcare remains mediocre. Some apps and mobile-based technology assist with providing only a number of services such as electronic immunisation registration, monitoring access to essential medicines, pharmacy delivery, making appointments, etc – which are far from genuine e-health.

We need advanced technology that enables unhindered data sharing and allows one single source of truth for patients' social and medical history.

Studies show that data sharing among providers eliminates duplicative medical procedures. It also reduces hospital readmission, increases revenue for providers, and decreases uncontrolled diabetes in addition to promoting many other health indicators. As a whole, data sharing improves the quality of care.

Last but not least, we must promote and diversify transitional care management, which is a powerful value-based instrument that can vastly reduce healthcare costs. Transitional care management allows post-discharge care coordination. After release from acute care, patients must be properly educated on their conditions, medication, and daily care to prevent readmission. Most people lack knowledge of when to see emergency doctors and when to only seek primary care. Transitional care educates patients on their overall well-being. Primary care providers, nursing facilities, and community-based organisations are best positioned to provide post-discharge care management. Transitional care also allows providers to earn additional revenue through follow-up appointments while keeping patients from spending on emergency department visits.

The fictional Dr Goodwin transformed a public hospital into a quintessence of care with a simple slogan, "How can I help you?" He stood up to the vested interests who fought to maintain the status quo and continue to commercialise healthcare. It was indeed a journey for him and his dedicated team of doctors. Promoting value-based care in Bangladesh, of course, will also be nothing short of a journey. And a journey is bound to be rocky. Still, we must embark on it.