

## Biman’s unending ‘bimar’

### Sending 100 officials to KSA to ‘help hajj pilgrims’ makes little sense

Biman just can't seem to stay out of negative headlines. After having raised eyebrows last week with reports of an unreasonable decision to purchase 10 Airbus planes and a mid-flight glitch in a plane that had carried the PM to Tokyo, the flag carrier is now reported to be sending about 100 officials to Saudi Arabia in the name of “assisting” Bangladeshi hajj pilgrims. According to sources, about Tk 8-10 crore will be spent for their 37-day stay in the kingdom. The lavish spending on something that Biman already has people on the ground to do for it has raised questions about the decision.

Reportedly, officials selected for the trip come from various departments. There are at least 33 from customer service, eight from the engineering and material management department, 28 from sales and marketing, two from administration, and so on. There are allegations that service rules have been violated while making the selections. The bigger question, of course, is whether such a large team is at all necessary. Biman's managing director tried to justify it by saying that there are a lot of services to be provided to pilgrims. But the airline already has a General Sales Agent (GSA) as well as country and station offices in Jeddah, Medina and Makkah that can provide those services. For example, the GSA is obligated to do all kinds of ticket-related work. Why are 28 sales and marketing officials going then? Even with the involvement of additional men, Biman has never been known for ensuring customer satisfaction pre- and post-hajj.

Why does it continue to send such teams then? Apparently, its staff see this as an excursion and a money-making opportunity. A Biman official will get a daily allowance of \$220-\$225 (around Tk 24,000) during this trip, in addition to other facilities. As a former director told *Prothom Alo*, “it is like an annual outing for them.” It adds nothing substantive to the service provided by Biman. In reality, this is nothing but a wastage of public money. At a time when the government is struggling with a sheer dollar shortage and a protracted economic crisis, such trips by state officials are completely unacceptable.

We urge Biman to refrain from normalising this illogical move. Biman is already suffering from an unending “bimar” (affliction), with mismanagement and irregularities thwarting its progress. Let’s not add to that now.

## Brace for the worst

### Govt must take all measures to minimise damage of Cyclone Mocha

Cyclone Mocha, the first cyclone of the season and likely the biggest in 16 years, will hit our coastline by Sunday afternoon. The “very severe” cyclonic storm could reach a windspeed of 175kmph then. There are concerns that this may result in widespread devastation in Bangladesh's south-west, among other coastal areas, so we must prepare accordingly.

The current trajectory indicates that Cox's Bazar, Chattogram, Feni and Noakhali are among the most vulnerable districts. Meteorologists say the cyclone may make landfall in Teknaf, which is home to refugee camps for the Rohingya who could be heavily exposed to the elements. Officials have also predicted floods in vast areas along the coastline. The priority right now is to fast-track the evacuation process and ensure that no one is left behind, especially older people, children and persons with disabilities. There is also a risk of landslides in the hilly areas, so people there should too be taken to safety.

It is concerning that nearly 50kms of embankment in Chattogram are reportedly compromised. This means that local communities risk being inundated should storm surges triggered by the cyclone breach those. The question is, why were the embankments not fortified? Why do the authorities wait for a cyclone to hit before rushing to make repairs? As for off-shore islands, it is a relief that tourists have been evacuated from St Martin's Island, but what about the 10,000 or so local residents? Shelters have been readied, we are told, but if the island gets cut off from mainland, will locals have access to sufficient food and other vital essentials?

These concerns must be addressed. So far, the government seems convinced that all necessary preparations have been taken. We must brace for the worst, however. Usually, despite warnings, many people do not leave until the last moment and often refuse to leave behind their prized possessions, especially livestock. This is where local authorities must be firm while conducting evacuations. Casualties, both during and in the aftermath of the cyclone, must be avoided at all costs.

## LETTERS TO THE EDITOR

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### Curb corruption in the health sector

The High Court recently rightly lambasted the health ministry for failing to curb corruption in our healthcare sector. Even during the Covid-period, we read stories of massive corruption in the sector.

The purchase of expensive equipment – many of which often do not work, or are left uninstalled – is the only thing the ministry and health workers seem to care about. But nobody seems to care about patients and their plight. We need some major intervention in the sector for this to change.

Hridoy Khan, Dhaka

# Desperate migration of the youth amidst ‘development’



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In the book “Uncertain Tomorrows: Livelihoods, Capital and Risk in Labour Migration from Bangladesh” (UPL, 2016), Syeda Rozana Rashid attempts to explore the causal links between lack of security in people's lives and livelihoods and overseas labour migration from Bangladesh. When Rozana Rashid was working on understanding the causes of migration of people from two migration-intensive villages in Cumilla, Bangladesh was being promoted as a country riding the tide of development.

The ethnographic study found that people are well aware of the risks involved in migration. But they also see opportunities to benefit from it – there are many more risks to rural life and livelihoods in Bangladesh that make migration seem less risky. Although agricultural land provides a form of security in rural life, agricultural work is no less risky than migration. In addition to the uncertainty of weather and natural disasters, there are various political risks, economic risks and uncertainties like not getting the right price for crops. While investigating the reasons for the migration of the working people, she noted at that time that Bangladesh as a state had not yet developed a political system that could guarantee economic stability and social security.

Almost a decade and a half has passed since. During this period, the GDP and per capita income increased significantly. But has the political and economic system been developed in a way that the working youth of this country can dream of a bright future? The growing incidents of desperate migration of Bangladeshi youth taking deadly risks while crossing the sea by boats, in the midst of the rhetoric of expensive infrastructure-based development, says otherwise.

According to the report titled “Migration from Bangladesh to Italy via Libya” by the United Nations International Organization for Migration (IOM), the number of Bangladeshi migrants going to Italy by boat using the dangerous route of the Mediterranean Sea through Libya is increasing day by day. In 2022, 15,228 migrants from Bangladesh arrived in Italy via the Central Mediterranean Route (CMR) with a majority transiting through Libya. Migrants from Bangladesh constituted slightly more than 14 percent of all arrivals in Italy – the third most-represented nationality. This number was 602 in 2019 (5



The number of Bangladeshi migrants going to Italy by boat using the dangerous route of the Mediterranean Sea through Libya is increasing day by day.

PHOTO: REUTERS

percent), 4,141 in 2020 (12 percent) and 7,838 in 2021 (12 percent).

After the Mediterranean route, Bangladeshis use the Balkan route the most. More than 6,000 Bangladeshis have gone to Europe through this route in the last few years. There have also been incidents of Bangladeshis being stuck in the forests of Bosnia while entering through this way.

The question is, why are increasing number of Bangladeshi youths desperate to migrate by risking their lives across the seas, jungles and deserts. If these young people would get good employment opportunities within the country, if they would get living wages, if their workplaces were safe, would they risk their lives to cross the seas, jungle and desert so desperately? To answer this question, we can look to the direct experience of some aspirant migrants reported in the media.

Jumon Ahmed of Shariatpur first went to Turkey by air via Dubai, then to Libya and then reached Italy via the dangerous Mediterranean Sea, according to a report by *Bonik Barta*. Before embarking on this risky journey, Jumon worked for three years in a Chinese restaurant in Mirpur, Dhaka. During this time no appointment letter was given to him. He had no fixed salary,

rather was paid according to the whims of the owner. He told *Bonik Barta* that he could not change his job even if he wanted to just because he is not highly educated. That is why he decided to take this risk.

Arafat Rahman, an aspiring Bangladeshi migrant told InfoMigrants that he went to Serbia hoping to reach Italy after failing to get a job

majority of the respondents reported that they chose to migrate to find better job and livelihood opportunities (73 percent). Other common reasons were financial (13 percent) and to enhance their social status (11 percent). Not only that, 91 percent of potential migrants would consider staying in Bangladesh if there were more work opportunities, but 46 percent of them had conditions

as a computer operator at a court in Bangladesh. He was asked to pay a bribe of 16,000 Euros to get the job that would pay him around 160 Euros per month as a salary. He decided not to take the job as the bribe was too high. He hoped to earn much more in Italy and pay back the loan that he took to go there.

Why did young Khokon Ahmed of Sylhet's Biswanath Upazila, who died on his way from Libya to Italy by boat in 2019, take this risk? According to a statement given by Khokon's brother Liton to *Deutsche Welle*, Khokon's father was a shopkeeper. All five of the brothers were unemployed. Among them, Khokon was a degree class student. Khokon's father agreed to send his son to Italy with the money collected by mortgaging the shop and borrowing Tk 8 lakh in anticipation of good employment opportunities in Italy.

There are more such stories. All human beings have the desire to live a decent life. No one wants to be stuck in a low-wage drudgery job forever. If there is no decent job opportunity within the country, young people will always strive to get it even if they need to risk their lives. According to a survey by the IOM on more than 11,000 potential migrants in 64 districts of Bangladesh, the

on that answer. Most of the conditions were related to better quality of work, including better salaries (63 percent) and better opportunities for work (33 percent). It is to be noted that, potential migrants planning to travel to Europe and the Americas or Asia and the Pacific were more likely to have completed a secondary school education or higher – 67 percent of potential migrants to Europe and the Americas and 51 percent of potential migrants to Asia and the Pacific.

It seems many of the moderately educated young people who have passed secondary school do not find any such employment in the country by which they can hope to live a decent life. As a result, many of them tried to reach Europe by crossing the sea, desert or the jungle despite knowing the risk. Even the workers who went to the Middle Eastern countries as migrants, after not being able to earn as expected despite their hard work, became desperate to go to Europe in the hope of a better income.

As long as quality employment, living wages and a safe working environment cannot be ensured for the youth within the country, the dangerous and desperate journey to Europe will not stop.

# The Fed faces an uphill task



## AN OPEN DIALOGUE

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Central banks across the globe have a few lessons to learn from the recent US experience. Inflation reduction with interest rate hikes can be likened to a Sisyphean task since it is a very laborious process and seems almost impossible to complete in haste. The Fed embarked on this path more than a year ago, in March 2022, with the first increase since December 2018. So far, it has raised the bank rate nine times, and while there is some discussion of a halt, it may be too early to predict if the war on inflation is over.

For the Fed, this should have been a good time. Inflation has slowed down, the GDP growth rate, while modest, still has been steady, and the most important thing is nobody is talking any longer about recession, except for a few on Wall Street. World's major economies have averted significant job losses. So, one could say that central bankers around the world could breathe a sigh of relief and let inflation come down to the targeted two percent rate. But, any cursory glance over the financial news from the US, Canada, and the EU would indicate that the markets are still turbulent.

First, does the data show that the Fed's job is done? Yes and no, and the

answer depends the metrics used. The Fed's two percent inflation target is still looming large on the horizon. US inflation rate is at 4.98 percent, compared to 6.04 percent last month and 8.54 percent last year. This is higher than the long-term average of 3.28 percent. According to some predictions, inflation will come down to this level in 2024.

Second, the trade-off between a rate hike and a lower GDP growth rate is increasingly becoming fragile. Conventional wisdom dictates that lower inflation moves in tandem with GDP slowdown. That is not a certainty any more. It is openly accepted that efforts to reduce inflation rate could end in a soft landing, a bumpy one, or a crash, meaning a full-fledged recession. Forecasting models have since last year revised the probability of a recession, but all these have been off the mark. The unemployment rate dropped to 3.4 percent, the lowest in 54 years.

We also saw that all forecasts about future GDP growth are couched in terms of various degrees of uncertainty. The Conference Board said in March 2022 the probability of a recession, which was zero earlier, jumped to over 30 percent in April and reached 50 percent in

May. That means that the US economy should have been in recession during 2022-23, but it hasn't! The probability rose further and has remained elevated but the forecasts are all fuzzy. What is the latest probability? We can only say that the “banking crisis dramatically increases the odds for ‘hard landing’ recession,” as one observer put it.

Third, the lessons for the central banks from the Fed's experimentation are profound. Bangladesh has two problems similar to the US – a relaxed regulatory framework and a banking sector with questionable accounting practices. In the US, the rate hikes proved hazardous for the commercial banks, as evidenced by several regional bank failures. Congress in 2018 relaxed banking regulations which allowed smaller banks to make their own plans and escape scrutiny from the Fed's banking regulators. If anything, it is evident that small and large banks need a more robust regulatory watchdog. Small or medium size banks like Silicon Valley Bank (SVB), Signature Bank, and First Republic Bank managed to fly under the radar and then got into serious trouble. The fallout can be contagious and lead to bank runs.

One of the drivers of the current crisis is the fear of the depositors whether their money is safer in their local bank or in a larger bank. A recent survey shows that 48 percent of US adults are concerned about their deposits.

Fourth, there are many other unintended consequences of a rate hike. Bank balance sheets suffer, small and medium-sized enterprises find their cost of borrowing increase and go belly-up, and the credit crunch hurts the

smaller borrowers disproportionately.

Fifth, to contain the bank strains, appropriate “macroprudential policy”, or rules that aim to mitigate risk to the overall financial system, need to be carefully tailored. The Fed teamed up with the Treasury to create the Bank Term Funding Program, a new backstop facility designed to make additional funding available to banks in the event of a deposit flight, and this proved to be effective.

On the social effect, the Fed's rate hikes have adversely affected the poor people more who are always at the receiving end. As we saw, inflation hurts the poor (because the price of basic needs increases faster), but the fallout from rate hikes hurts them, too (due to job losses). From January to March, average monthly job growth dropped to 222,000 from 524,000 a year ago. Initial claims for unemployment increased and unfulfilled job openings dropped.

Another lesson for policymakers is, sometimes the window of opportunity to curb inflation is narrow. Last year, for example, the Fed waited too long in the mistaken belief that the inflationary pressures were transitory – another example closer to home. Bangladesh Bank, banking regulators, and the government ministries wait too long before taking action on bad actors. One can only caution them to be vigilant, practice due diligence, and enhance quarterly review and monitoring. Currently, the oversight is too weak, and reliance on a public-sector bailout to prop up failing banks creates a “moral hazard”.