

## Time to rebuild life in St Martin

With the worst averted, relief, rehabilitation are priority in Mocha-hit areas

We are relieved that the extremely severe cyclonic storm Mocha did not cause as much damage in Bangladesh as initially feared. The hardest hit regions in the country were Cox's Bazar and Saint Martin's Island, where around 13,500 houses were affected. Among them, around 1,200 houses were destroyed on St Martin's Island, and more than 2,800 shanties were affected in the Rohingya refugee camps of Cox's Bazar.

Apart from a change in the direction of the storm – away from Bangladesh and toward Myanmar – a low tide at the time of landfall further helped in minimising damage in Bangladesh. Early evacuation of more than a million people also played a big part. Nevertheless, thousands of people have been left homeless, leaving them open to huge suffering. This makes it vital that urgent assistance is provided by the government, which should coordinate with humanitarian organisations to ensure that aid reaches victims on time and in an organised manner.

Aside from financial assistance, the government and others should provide medical and food assistance as well. It is important to remember that the chance of diseases breaking out post-disaster is always high. Therefore, there should be no delay in providing medical assistance in the affected coastal areas. Removing the remnants of uprooted trees and damaged houses is also a challenging task. Rebuilding efforts are particularly needed on Saint Martin's Island, which took a massive battering even though there was no reported loss of life.

Although it is early to estimate the full extent of the damage caused by Mocha, there is no doubt that it has caused significant harm to local industries and businesses. Movement of goods at the Chattogram Port has had to be halted since Friday, which is going to be costly for the economy, particularly for many of our exporters. So, the government should take special measures to ensure that operational activities at our main seaport resume without further hindrance.

Ultimately, the nation was spared from much greater damage due to good fortune. At the same time, our strong disaster preparedness also played a part in that. Since we cannot bet on luck to save us from future disasters, after helping people to recover from the fallouts of Cyclone Mocha, the government should continue to focus on its disaster preparedness, including by fortifying compromised embankments.

## We must restore trust in e-commerce

Authorities should ensure full repayment to defrauded customers

It is difficult to buy into the promise of a Smart Bangladesh when justice continues to elude many victims of e-commerce scams. Over the past few years, thousands of customers have lost money to such scams. As per a new report, as many as 19,623 complaints against 50 e-commerce companies – filed with the Directorate of National Consumer Rights Protection – remain unresolved, with Tk 600 crore yet to be paid to complainants. This points to a desperate need for safeguarding the interests of customers and strengthening the legal framework related to e-commerce platforms.

Many of the companies that have been accused of scams are practically defunct now. In the absence of adequate mechanisms to hold them accountable, the commerce ministry is paying victims from the Tk 525 crore (of 27 e-commerce companies) stuck in payment gateways. One would think that the priority would be recovering money from the companies themselves. But owners of fraudulent companies seem to be out of reach, some being unresponsive presently (such as the bosses at Evely) and others having fled the country. How did we get to this point? Why haven't systems been put into place to protect e-commerce consumers? They certainly do not deserve the uncertainty that has been created. Against this backdrop, one hopes that the Central Complaint Management System (CCMS) launched by the ministry on February 19 will be helpful in addressing some of the concerns.

As e-commerce thrives around the globe, we sincerely hope that Bangladesh will be able to keep up by establishing a foolproof digital infrastructure and ensuring best service for customers. The scams carried out in recent years must not result in citizens losing faith in the sector altogether. We urge the relevant authorities to prioritise the formulation and implementation of proper laws and regulations that protect consumers' best interests. More importantly, those companies accused of scams must face justice for public trust to be fully restored. They must be made to clear the dues owed to complainants, so that no other companies dare to commit fraud in the future.

## LETTERS TO THE EDITOR

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### Rebuild homes lost to Mocha

It is a great relief for Bangladesh that Cyclone Mocha passed us by without incurring the high scale of damage that we had expected. However, it has not left us completely unscathed. Thousands of houses in Cox's Bazar and St Martin's Island have been destroyed by the cyclone. As such, the local authorities and central government must now work together to ensure that these houses are rebuilt and that the people affected are given the aid they need. Let not a short-lived cyclone leave behind long-term devastation.

Shams Prottoy, Cumilla

# What the new budget should offer to common people



MACRO MIRROR

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On June 1, 2023, the finance minister is set to present the national budget for the 2023-24 fiscal year in parliament. This particular budget poses significant challenges – arguably the most challenging in recent times – for economic policymaking in Bangladesh. The current geopolitical and geo-economic situations are unfavourable, and the world is still grappling with the aftermath of the pandemic and the fallout of the ongoing Russia-Ukraine war.

The multifaceted challenges have resulted in an overall lower economic growth around the world, with some economies facing recession-like situations. In April, the International Monetary Fund (IMF) updated its projection of global growth, showing a rocky recovery. The IMF projects that in 2023, the global economic growth will fall to 2.8 percent from 3.4 percent in 2022, and eventually settle at 3 percent in 2024.

Bangladesh's economy is also going through several challenges. These include the burden of high prices, pressure on the external sector, fluctuating foreign exchange rates, and a decline in foreign exchange reserves. Additionally, the country continues to face long-standing issues such as insufficient domestic resource mobilisation, low and stagnant private investment, inadequate public expenditure capacity, youth unemployment, and socioeconomic inequality. Even though the poverty rate has been declining over the past decade, as per the Bangladesh Bureau of Statistics (BBS), the recently published Household Income and Expenditure Survey (HIES) 2022 revealed that inequality has increased. For example, in the HIES 2010, the Gini coefficient was 0.458, which increased to 0.482 in HIES 2016. In HIES 2022, the Gini coefficient has gone up to 0.499.

Given the current global and domestic circumstances, the upcoming annual budget must incorporate strategies to tackle immediate challenges while also addressing medium-term issues. The persistence of a global economic downturn and inflationary pressures, compounded by the ongoing war, necessitates a comprehensive response from the government. To effectively confront this crisis, it is imperative for the government to coordinate fiscal and monetary policy measures. Additionally, specific measures



ILLUSTRATION: BIPOLO CHAKROBORTY

tailored to combat these challenges should be implemented.

First, the government should eliminate various taxes – such as advance income tax, advance tax, and regulatory duty – imposed on all imported essential items. Social protection programmes should be expanded to include direct cash support for the impoverished. To cater to the needs of low-income groups, there should be an abundant supply of essential items in the open market, available at reduced prices through operations such as open market sale (OMS). Moreover, the tax-free income threshold should be increased to Tk 3.5 lakh for the low-income households.

Second, although the government is committed to eliminating subsidies, as per the IMF conditionalities for the \$4.7 billion loan, this measure needs careful thinking. Subsidy management has to be in a targeted manner so that poor and low-income households are not affected. For example, agriculture subsidies for fertilisers and pesticides need to be sustained to avoid food insecurity. Given the global price and supply constraints, and limited fiscal space in the country, the government must adopt a rational policy measure to feed its large population.

to avoid domestic market crises.

Third, to meet the growing demand for increased and affordable supply in the market, financial support is essential. Therefore, policymakers must focus on creating sufficient fiscal space by implementing strategies for domestic resource mobilisation. Understandably, reduction of taxes on essential items will subsequently lower import taxes. To compensate for the potential revenue loss, higher taxes on luxury goods can be imposed. The government is already imposing higher taxes on many luxury items. However, while this may serve as an immediate solution to generate additional revenue and meet the increased financial requirements, the ultimate objective should be to enhance revenue through the collection of income tax. Reforming the existing revenue collection system is the pre-condition for achieving this objective. The government should prioritise the establishment of an independent and fully automated tax system, supported by adequate and efficient human resources.

Fourth, the government should exercise caution while attempting to reduce expenditure, ensuring that it does not result in a drastic decline in government spending, a contraction

due to insufficient efforts in revenue generation and competing priorities, particularly in physical infrastructure. Consequently, these sectors receive minimal budgetary allocations as a percentage of GDP. However, if economic growth is not accompanied by an appropriate allocation of resources to the social sector, the sustainability of this growth will be jeopardised. Insufficient allocation of public resources to these sectors will further exacerbate societal inequality.

Fifth, while the national budget has certain limitations in addressing medium- and long-term issues, it plays a crucial role in determining resource allocation and generation for each financial year. Although the budget tends to follow an incremental approach, it has the ability to make choices and decisions within the broader national policy frameworks that are designed with medium- to long-term objectives in mind. Consequently, the annual budget is expected to not only devise short-term fiscal measures, but also allocate resources towards medium-term objectives, ensuring a continued focus on long-term goals. The budget should be formulated keeping these perspectives in mind.

## In Pakistan, a mass reckoning remains unlikely



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When this spin of the political merry-go-round pauses, one image will linger: a young man, veiled by his blue surgical mask, clinging to a bewildered peacock.

The peacock had been looted from the Lahore corps commander's house in the wake of Imran Khan's arrest, an ill-thought-out gesture to reclaim what rightfully belonged to the people. One wonders what became of that peacock, and one fears for its welfare. Its fate is an apt metaphor for the prospect of a mass political mobilisation in Pakistan.

The unprecedented events of recent days have again stirred the question: is a revolution coming? Social media is flooded with videos of angry young men pillaging the corps commander's house, smashing candelabras and burning furniture, disgusted to find frozen strawberries in an elite kitchen in the same country where food inflation is running well over 40 percent and most people are struggling to eat two square meals a day.

That unthinkable moment when people pushed through the gates of GHQ has raised tantalising prospects

that the status quo might yet be challenged.

Indeed, there are several revolutionary ingredients in the mix: soaring inflation, polarised politics, a weaponised society with nothing to lose, and a new ability to smash the sacred cows of previously untouchable elite institutions. But despite the unrest and white smoke plumes of tear gas, a mass reckoning remains unlikely.

This is because public agitation continues to be reactionary and aimed at destroying, rather than visionary and aimed at creating (a new paradigm, a new society, a new status quo). If there is a mass movement brewing, it's all "anti" and not enough "pro." And history has taught us that you can't build anything from hate.

The lack of issue-based mobilisation – even at this critical time – is a reflection of Pakistan's paucity of issue-based politics. In an authoritarian state that has been under military rule for much of its history, politics has always been a game of survival, rather than a public service. The resulting distortions in the country's political discourse are

all aimed at weakening opponents and appeasing puppet masters.

These distortions are now reflected in Pakistan's mass mobilisations: there is rage and rejection, but little in the way of grassroots activism. We know what we don't want, but we have never dared to ask for what we could have.

Many of the key ingredients of a successful revolution remain missing: credible leadership (beyond a cult personality), a free media that can support and disseminate a movement's messaging, and a population that understands the need for structural change and is ready to participate based on perceived benefits.

Pakistan's young, urban population should fulfil this last criteria, but the prevalence of misinformation, conspiracy theories, and the shambles that is our public education sector has limited the critical requirement for understanding.

Ironically, the closest we have come to mass reform movements in recent years is in the form of the TTP or other similar religio-political movements. These comprised a rejection of the status quo and offered an alternative vision as articulated in concrete demands (for example, regarding the imposition of Shariah law).

It is not surprising that the TTP – despite killing tens of thousands of Pakistanis – enjoyed some traction (albeit ambivalent) with the public for over a decade. That itself is a testament to Pakistanis' hunger for issue-based politics.

There have, of course, also been recent attempts at mass movements

without a violent extremist bent. Think of the PTM or the Haq Do Tehreek in Gwadar, which offered progressive politics and a specific people-oriented agenda.

Unfortunately, status quo beneficiaries in Pakistan know a meaningful mass movement threat when they see one; they managed to nullify these groups' leadership through extended jail terms and contain them with media blackouts.

The comparison between the imprisonment tenures of Imran Khan and Ali Wazir offers a clue as to which movement has more potential to actually effect change.

In the West, there is a growing recognition that mass mobilisations that challenge the status quo will only occur – and succeed – if they can offer a political alternative that is rooted in specific pro-people demands. Climate change activists, for example, are increasingly seeking to align with labour movements or minority rights' movements in order to embed abstract net-zero demands into a progressive vision that privileges equality, human rights, and security.

The number of issues around which Pakistanis should be coalescing is staggering: food security, safety, dignity of work, free speech, minority rights, welfare protections, healthcare provisions, climate resilience. Until we can craft a politics that champions for the people rather than against their overlords, our future will be riot, not reform.

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