

We need a vibrant library culture

National Book Centre must do a better job to fulfil its mandate

It is disheartening to see the continued plight of the state-run Jatiya Grantha Kendra, or National Book Centre, which is responsible for overseeing non-government libraries and promoting reading. According a report by this daily, the centre has been failing to fulfil its mandate due to poor infrastructure, a shortage of manpower and resources, and a lack of public awareness. Everything about it seems to be ill-conceived and poorly executed, starting from the shabby, largely inaccessible building on which it is housed to its lack of promotional activities to the way it engages with the recipients of its annual grants.

Its sorry state is perhaps best reflected in its own library, which has over 11,000 books, including rare reference materials. However, very few people visit the library on Gulistan's Bangabandhu Avenue, and the librarian himself admits that he hasn't seen any readers in the last few years. The disorganised arrangement of books, with stacks of old newspapers and rare books piled haphazardly in dark corners, is an appalling sight. The centre couldn't archive them systematically, let alone digitise them, even after 28 years of its establishment.

In addition to the poor management of its own library, the centre is also hamstrung by various problems in its handling of non-government libraries. For one, the financial assistance given to listed libraries is woefully insufficient. The annual allocations, divided into categories A, B, and C, barely cover a couple of months' operational costs for them, leaving them financially strained and affecting their services. The bureaucratic hurdles involved in accessing the funds further compound their difficulties. There are also allegations of favouritism and lack of quality control when it comes to giving them books. Often, political books of questionable quality, written by ruling party leaders and bureaucrats, dominate the offerings, while books of diverse genres and perspectives are neglected.

What all this shows is how a vital institution of the state is being undermined by neglect, mismanagement and a lack of foresight and resources. This is an affront to Bangladesh's vision of building a knowledge-based society for a better future. To reach that goal, we must have a strong, vibrant library culture that promotes reading and intellectual growth. We urge the Ministry of Cultural Affairs to properly equip and staff the National Book Centre so that it can deliver its mandate.

No progress in making roads safe

Crash figures from May show alarming lack of efforts from authorities

We are alarmed by the continuously high number of road crashes taking place across the country amid continued negligence by the authorities to reverse this trend. According to a report citing the findings of the Road Safety Foundation (RSF), 408 individuals lost their lives and 631 sustained injuries in 491 road crashes across the country in the month of May. The figures demonstrate how little progress has been achieved despite frequent promises by the government to make our roads safe.

The RSF study includes details that deserve to be taken seriously. For example, of all the crashes that took place in May, around 41 percent occurred on regional roads, most of them due to speeding. In addition, motorcycle accidents accounted for 34.55 percent of the total fatalities, which once again shows the danger that motorcycles pose to road safety. All this means that if the authorities take extra precautions on regional roads, prevent speeding, and better control/monitor the movement of motorcycles, we will be able to reduce the number of crashes and deaths.

However, these measures alone may not be enough to ensure road safety. For a greater impact, the authorities also need to bring the drivers responsible for crashes to justice. According to a *Prothom Alo* report, some 492 cases were filed for road crash deaths in Dhaka over the last two and a half years. While police have completed the investigation of 275 cases, they couldn't identify the responsible drivers in 116 of them. This is quite unfortunate. If the drivers cannot be identified and punished, will it not embolden other reckless drivers? Reportedly, police often do not investigate such cases with sincerity, which is one of the reasons for not finding the guilty drivers. This must change.

The RSF also highlights the often-overlooked need for employing skilled drivers with decent salaries and proper working hours, and properly enforcing traffic rules as well as the Road Transport Act 2018. We must do everything necessary to reduce the number of road crashes and deaths.

New Message

To

Subject

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BIRUPAKSHA PAUL

Harvard economist Gregory Mankiw showed how accountants show profits – higher than what economists would do, because economists take other social and environmental costs into account. Accountants produce a balance sheet (which is a snapshot of a company) while economists would like to see at which phase of the business cycle the company is. Accountants put emphasis on numbers while economists underscore relationships.

Bangladesh's proposed budget for FY 2024 displays a good accounting exercise with little attention to economic questions regarding inflation-related public suffering, social costs of unemployment, growing income inequality, tax bias to pamper the super rich, and the rising trend of fiscal incapacity. The ratio of private investment as a share of GDP is currently running at 22 percent. The budget's target of making it 27 percent is just an accounting necessity to earn 7.5 percent economic growth.

World Bank (WB) data suggests that since 2008, it took Bangladesh 14 years to increase the private investment ratio by only two percentage points. To economists, the proposal of pushing it up by as high as five percentage points in just one year appears enigmatic. But it seems an accountant can make it happen by conducting cosmetic surgery on data, as we learn from the story of how the US company, Enron, managed a reputed accounting firm, Arthur Andersen, to make Enron look excellent just before it nosedived.

"Why Good Accountants Do Bad Audits," published in the Harvard Business Review in November 2002, explained how the biased attitude of accountants can conceal the real health of a company. The same is true for the budget. The task of formulating the national budget by accountants or maths enthusiasts, who tweak numbers to manufacture their desired targets, remains unsafe and risky. This is exactly what happened in Bangladesh's budget, where the inflation target was astonishingly set at 5.6 percent, defying all protests from economists that the figure would be unrealistic to achieve. Now, of course, inflation is hovering around

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According to data from the Export Promotion Bureau, the jute industry in Bangladesh earned \$548 million selling jute and jute items in the first seven months of the outgoing fiscal year of 2022-2023 – a decrease of 21.22 percent year-on-year. The export proceeds for the same period in 2021-2022 were \$696 million, a decrease of nine percent from the previous year.

Since India is a large market for Bangladesh's jute, the anti-dumping policy presents a significant hurdle for us. About 500,000 people work in the jute business. The government is providing incentives in an effort to preserve the jute industry and the livelihoods of numerous people. Without incentives, factories cannot be operated. Anti-dumping taxes are increasingly reducing Bangladesh's exports to India. The Bangladeshi government is persistent in its demands that the anti-dumping measure be lifted or that the import tax on jute be raised.

The Bangladeshi administration has to start talks as soon as possible. The Comprehensive Economic Partnership Agreement (CEPA) that has been suggested may serve as a useful framework for the negotiations.

India levied an anti-dumping charge on Bangladeshi jute exports in January 2017 that ranged from \$19 to \$252 per tonne and was in effect for five years. Jute yarn, hessian fabric, sacking, and CBC and jute bags exported from Bangladesh and Nepal were subject to anti-dumping duties per an order from the Department of Commerce of India's Ministry of Commerce and Industries. In order to safeguard their jute sector and boost exports, Indian traders have urged that this tariff be kept in place. According to the regulations, no product may be subjected to anti-dumping duties for a duration of more than five years. Therefore, in 2023, India renewed the anti-dumping tax imposed on Bangladeshi jute products. The jute sector in Bangladesh has suffered as a result of the increase in taxes on exports.

Given that we previously shipped more than 1.45 lakh tonnes of jute products to the Indian market, such a levy puts a detrimental effect on our jute product exports. The exports of the goods have decreased to roughly 35,000 tonnes after anti-dumping duties were imposed.

Bangladesh is a major exporter

displays inaccurate readings of temperature. That is why the budget seriously lacks effective tools of lowering inflation. The finance ministry still justifies the interest rate cap at nine percent, making any sense of economics sour – as if the government has unearthed a neo-modern theory of inflation management which no other country on the globe has been able

in a country where big tax dodgers remain untouched.

Some desperate numbers in the budget may taste sweet to accountants, but sensible economists would not have gone for these figures, which lack a sense of feasibility. Becoming a developed country by 2041 is an ambitious political goal, and a smart accountant wouldn't echo it without

VISUAL: REHNUMA PROSHOON

to adopt. The US central bank raised its interest rate 10 times in the last 14 months, while neighbouring India followed suit at least five times within the same duration. But our central bank was instructed not to alter the cap. Keeping the interest rate cap at nine percent is being posed as an accounting necessity at a time when inflation is more than nine percent, so that business tycoons can draw funds from banks at effectively a zero real rate of interest. The budget 2023-24 thus seems to serve their greed.

The wealth surcharge threshold has been raised from Tk 3 crore to Tk 4 crore – a 33.3 percent increase – and this gives endless comfort to the super rich. In contrast, the minimum taxable income threshold has been raised only by 16.67 percent, from Tk 3 lakh to Tk 3.5 lakh – giving much less relief to fixed income earners. Ironically, the proposal of a minimum Tk 2,000 tax for any ITN holder – when availing a number of government benefits or services – may seem like an expansion of the tax net from the accounting viewpoint. But this type of regressive taxation is simply unfair and even unethical in the eyes of an economist

understanding how high growth targets must be set for the subsequent budgets. Economists know that achieving this would require double-digit growth for the next 17 years in a row. Is the government smart enough to pilot our flight in that direction and by maintaining that altitude?

The budget speech delivered the target figures of reaching the revenue-GDP ratio of over 20 percent and the investment-GDP ratio of 40 percent, but it didn't say when the targets will be achieved. This hints at bad economics being at play. Economists would engage trendlines that don't endorse such fantastic claims. Our revenue-GDP ratio has witnessed no improvement since 10 years ago and the investment ratio rose from 28 percent to only 31 percent over the same decade.

The proposed budget for FY 2023-24 outlines four pillars for making a Smart Bangladesh: citizen, society, economy, and the government. If history is any guide, the government will be responsible for leading the economy to dynamism where citizens can thrive in a knowledge-based society. Only then will economics no longer taste sour.

Addressing India's anti-dumping duty on our jute products

of jute products since, in general, the costs of producing jute goods here are lower than in other nations. The cost of exporting to India, a significant market for jute, will rise as a result of the prolongation of the anti-dumping tax, which may have an impact on the overall competitiveness of Bangladesh's jute products on the international market. As a result, there might be less demand for jute items made in Bangladesh and more demand for those made in other nations.

India, China, and Turkey are the main export destinations for jute products from Bangladesh. Since India implemented anti-dumping tariffs in 2017, China and Turkey have taken advantage of the chance to lower the cost of jute products. This competition among Bangladesh's jute export destinations for market share is unfair. Many jute mills have shut down as a result. Aside from this, the historical link with India prevents an appeal of the anti-dumping duty. Once more, raw jute exports to India cannot be halted. As a result, it is clear that they are successfully using raw jute without our interference, and beating us in the process.

Any nation that is a part of the World Trade Organization (WTO) has the right to use the Dispute Settlement Understanding (DSU) process to object to the deployment of anti-dumping measures. This enables the discussion of any concerns regarding adherence to the Anti-Dumping Agreement's requirements before a panel (set up in accordance with the DSU). Given the close ties between Bangladesh and India, it would be ideal if the disagreements could be

settled through bilateral or diplomatic channels before bringing the case to the WTO. The Comprehensive Economic Partnership Agreement has the potential to change such a bilateral dialogue. Bangladesh now receives the most lines of credit (LOC) from India.

As a result, the CEPA will serve as both a comprehensive economic framework and a tool for maximising the benefits of each country's strategic geographic location. Pranay Verma, the high commissioner of India to Bangladesh, recently stated that the planned CEPA might fundamentally alter trade relations between the two nations.

In order to walk the rhetoric, the commerce ministry has asked more than 58 state agencies and trade organisations for their perspectives on investment and trade in relation to the CEPA. To enhance trade and investment, Bangladesh is about to start negotiations with its second-largest trading partner. The advisory committee (AC) – chaired by commerce minister Tipu Munshi – and the trade negotiating committee (TNC), each with 11 members, have already been established by the commerce ministry. The Regional Trade Agreement (RTA) Policy 2022 states that the TNC of Bangladesh will continue the negotiations in conjunction with the Indian TNC and will acquaint the relevant authorities on a regular basis.

Bangladesh may consider asking India to remove its anti-dumping measures on jute as CEPA will serve as the comprehensive economic framework between Bangladesh and India, thereby boosting trade between the two nations.

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