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A ray of hope amid grim statistics

Mohakhali dengue hospital shows the importance of proper medical facilities

Amid a dengue outbreak of unprecedented scale, it is heartening to see the medical pushback afforded by the repurposing of what was once a dedicated Covid hospital in Mohakhali, Dhaka. The Dhaka North City Corporation converted the 500-bed hospital into a dedicated dengue one on July 12. Since then, according to a report by this daily, it has been performing commendably, providing treatment to a total of 24,441 patients in its outdoor facilities while admitting 5,090 of them. Thus, it has become a lifeline for many patients in critical condition, who are arriving not only from within Dhaka but also from neighbouring districts.

This year, dengue has already cast a long shadow over Bangladesh with a staggering toll of 839 lives claimed and nearly 170,768 individuals infected so far – a grim reality that shows little sign of improving even as we reach the end of the traditional peak period. These numbers are not mere statistics. They represent the pain and suffering of families affected by this relentless mosquito-borne disease across the country. The transformation of the Mohakhali hospital was a much-needed response to this scenario.

Critical patients with platelet deficiency, shock syndrome, and low blood pressure are mainly referred here, thanks to its bed sufficiency and its arsenal of 45 ICU beds – which have been instrumental in saving lives. Unlike most public hospitals, it is also quite well-staffed, with some 87 medical officers and a good number of specialised doctors and nurses working around the clock to treat patients. Their commitment as well as the relatively effective management of resources have been an example worth emulating at this critical time.

However, this is still just one hospital, and we need all hospitals in the country, especially in cities outside Dhaka, to be equipped to accommodate the influx of patients and treat them properly – something they are struggling to do. Asking them not to refer dengue patients to hospitals in Dhaka – as the Directorate General of Health Services (DGHS) has recently done – does not help in the absence of proper treatment opportunities in local hospitals. Besides the struggles for sufficient medical facilities, another major problem this year – and in recent years as well – has been the government's consistent failure to limit the spread of dengue.

Unfortunately, since there is no vaccine or specific drug to treat dengue, our primary defence against it still lies in effectively containing its spread and providing timely care, and we must urge the authorities to ensure they deliver on both these fronts. The current outbreak is a stark reminder of the pressing need to invest in and strengthen our public healthcare system. Building additional dedicated facilities, increasing the number of medical professionals, and enhancing resources to deal with diseases like dengue are critical steps going forward.

Redirect focus to renewables

Why is Bangladesh so far behind its neighbours in green energy use?

It is quite disheartening, not to mention concerning, to learn that Bangladesh ranks the lowest among all the South Asian countries in terms of using renewable energy. A recent study by Dhaka-based think tank South Asian Network on Economic Modeling (Sanem) reveals that the share of renewable energy in Bangladesh's total power generation capacity stands at a measly 1.90 percent. By contrast, Pakistan's renewable energy usage stands at 6.8 percent, Sri Lanka's at 22.22 percent, and India's at 30.2 percent.

Energy experts in the country believe the government is neglecting our renewables potential – and we cannot help but agree. At a time when the world is moving away from fossil fuels and transitioning to renewables, Bangladesh is doing the exact opposite. According to the Sanem research, the government is increasing LNG and other fossil fuel imports to meet the national demand and reduce dependency on our depleting domestic gas reserves. Leaving aside the question of its environmental impacts, how is that a rational financial decision, given the economic challenges we are currently facing? Our foreign exchange reserves have alarmingly dropped under $22 billion (as of September 14, 2023) thanks to our rising import bills and less-than-expected earnings from exports and remittances.

So instead of putting more pressure on our dwindling forex reserves, the government ought to explore and invest in renewables, which will help us not only transition to clean energy but also cut down the debilitating air pollution in the country. Take solar power, for example. Sunlight is a natural resource that Bangladesh has in abundance. The government can make use of this resource not just by setting up new facilities, but also by ensuring effective utilisation of the existing solar panels in the country.

The government has set an ambitious plan to generate 41GW of solar power by 2041, as well as a target of meeting 40 percent of our national demand with clean energy by 2041, as per the Integrated Energy and Power Master Plan (IEPMP). But given the state of things at the moment, it is evident that no effective plan is in place to reach these goals. The relevant government agencies need to redirect their focus and formulate an action plan that will help us become a clean-energy country sooner than later. Renewables are the future, and the government needs to put in concerted efforts if it wants to meet its own goals.

Correcting the dollar's price is the only medicine we need

OPEN SKY

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BIRUPAKSHA PAUL

A good doctor usually does not prescribe too many medicines. Once, the maharaja of Cooch Behar was suffering from various ailments. He invited the noted doctor of the time, Dr Bidhan Chandra Roy from Kolkata, to prescribe him medicines. Dr Roy saw the patient and left a single piece of advice for the maharaja: quit smoking as soon as possible. The ruler was not amused by the doctor's suggestion. Nor was he satisfied to see that no medicines had been prescribed. However, he eventually recovered from all ailments simply by abandoning his habit of smoking, all while no other medicines were needed.

Economic policymaking often works this way. A single, sensible policy can make a motley of weird prescriptions totally redundant. The wrong exchange rate – simply the undervaluation of the US dollar or an artificial overvaluation of the Bangladeshi taka – is the single culprit behind the country being pushed to the edge of the forex reserve crisis. Our forex reserve, which peaked at $48 billion in August 2021, has come down to as low as around $21 billion in September 2023. The figure by August should have been at around $60 billion, had the reserve maintained its normal growth trend observed since 2009. Moreover, the trend of workers' migration has seen an uptick recently, but this is not reflected in the recent remittance inflow, which was awfully low last month. This is nothing more than a result of the egregiously low valuation of the dollar. Russia's attack on Ukraine is responsible for this decay.

Both the finance ministry and Bangladesh Bank (BB) must be serious about averting the reserve crisis, no matter how they wish to downplay the matter on the surface. This is not only about poor growth in remittances, but also three other worrisome developments that threaten the country's economic stability: 1) forced squeezing of imports, which retards industrial growth; 2) lacklustre performance of exports; and 3) the unprecedented collapse in financial accounts, which has dehydrated the balance of payments and drained forex reserves. The single practice of fixing the dollar's price is responsible for these many ailments.

The finance ministry's peanut-sized incentive on remittance has proven to be worthless, and has actually weakened our already beleaguered fiscal capacity. Remittance senders do not want any sort of grace from the ministry. Rather, they need to get a fair value of their hard-earned money. On the one hand, the ministry wants to look like it's helping BB with the incentive. On the other hand, the ministry is also forcing BB to print more notes to fill up its own revenue gap. These are unnecessary for and harmful to the proper functioning of a market economy.

Various sources suggest that the dollar's price is close to Tk 120 in the street market, while the central bank is offering only Tk 109.5 to remitters. This obviously fails to convince the migrant wage earners to send their money through the official channel, which is financially punitive and still bureaucratic. As rational economic agents, wage earners resort to hundi, which is comparatively more rewarding, faster, and more accessible. But why do policymakers find remitters' use of hundi unpatriotic? Why should migrant workers be responsible for paying out of their pockets for incorrect rates manufactured by policymakers?

Losing almost Tk 8 per dollar naturally does not make any sense to migrant workers. Engaging the police or the intelligence department to chase down hundi or money-changing agents is a complete waste of energy on the government's part. But this hunt will never end if the Bangladesh Bank keeps picking the wrong exchange rates. The central bank governor should coordinate with researchers, economists, and market experts to take knowledge-based actions, rather than employing the police to chase down petty margin-makers who have, in fact, been created due to BB's market-unfriendly dollar prices.

In the central bank's last monetary policy announcement in June, the governor vowed to make the exchange rate market-based. But the governor seems to be depending on oxygen provided by the Bangladesh Foreign Exchange Dealers' Association (BAFEDA) to set the exchange rate. This reflects the lack of confidence that breeds policy hypocrisy. BB seems to be afraid of standing on its own feet. Hence, its claim of policy independence is flimsy. It has incorporated the fixing of interest rates with treasury bill rates, which are mainly controlled by the finance ministry, indicating that the country's central bank cannot operate independently.

If BAFEDA can fix the exchange rates and the finance ministry can fix the interest rates, do we really need a separate institution like BB? Instead of fighting for independent policymaking based on knowledge and research, BB is making its job unnecessarily complex. Our central bank could outsource some of the tasks which its own machinery or manpower cannot support, and BAFEDA can be a secondary source of suggestions on exchange rates. But recent activities do not shine a light of reliability on BAFEDA's exchange rate recommendations. The underpricing of the dollar is pushing our overall financial position from bad to worse, without any sign of recovery.

There are three reasons why BB is not catching up with the actual price of the dollar: 1) fear of inflation; 2) fear of excessive volatility of the exchange rate; and 3) the typical mentality of making taka's depreciation equivalent to the economic weakness of the regime. The theory suggesting that a higher dollar price will stoke inflation further through the import channel is partly true. But the main inflation, which makes the poor suffer the most, is originating from the high prices of necessities, which do not relate to import channels as much. Inflation remains stubbornly high because of incorrect policy rates and fiscal incapacity. The finance ministry failed to collect taxes from the superrich and resorted to making the central bank print extra notes. This has made inflation furious through the multiplier.

VISUAL: TEENI AND TUNI

Second, any rate that is surrendered to the hands of the market will be subject to volatility in the initial months, but the price will settle over time and make the economy safer than before.

Finally, relating the taka's weakness to the weakness of the economy is a fundamentally flawed exercise. Rather, a market-based rate will increase both exports and remittance inflow, which will be the protagonists in terms of improving Bangladesh's balance of payments, and eventually bring the forex reserve back to a comfortable position.

We are not on track for 2030 climate targets

POLITICS OF CLIMATE CHANGE

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SALEEMUL HUQ

Back in 2015, three essential global agreements were adopted with targets set in 2030. We are at the halfway point of this time frame; if we review the current situation, the progress is not good.

The Paris Agreement on Climate Change was adopted at the 21st UN Climate Change Conference (COP21) in December 2015. Two main commitments were agreed upon: 1) keep global temperature below two degrees Celsius, and if possible, below 1.5 degrees Celsius; and 2) provide developing countries with $100 billion a year, starting from 2020, to tackle climate change impacts through mitigation and adaptation.

Unfortunately, with only seven years to go, neither of these commitments are on track to be fulfilled. Global temperature has already exceeded 1.2 degrees Celsius, and this is now clearly causing losses and damages. At the same time, the promise of $100 billion annual funding has failed to materialise even in 2023.

There will be a formal stocktake of the situation at the forthcoming COP28, to be held in Dubai in November this year, but it is already quite evident that progress has been very slow and needs to be accelerated significantly to reach the 2030 deadline.

Meanwhile, countries adopted the Sendai Framework on Disaster Risk Reduction (DRR) in Sendai, Japan, to develop national disaster risk reduction strategies by 2030. This goal has made some progress in a number of countries, but unfortunately most nations are still lagging behind and will need to accelerate their activities considerably to achieve the target.

The third and perhaps most comprehensive and important agreement of 2015 was the Sustainable Development Goals (SDGs), adopted at the United Nations. This agreement is the successor to the Millennium Development Goals (MDGs), which were agreed upon back in 2000 and meant to be achieved by 2015.

There has been a recent review of the SDGs' status, and there will be a review meeting in New York later in September. But we already know that we are way behind in achieving all the 17 goals. At the current rate of progress, it is predicted that most of the goals will not even be achieved by 2050, let alone 2030!

Hence, it is imperative that in 2023, we go back to the drawing board and rethink how to improve our performance.

The first thing we need to acknowledge is that treating all these aspects separately, at both global and national levels, is counterproductive as they are all linked together.

The second thing we need to recognise is that even though all the targets are essential, we have to prioritise the most important ones and focus on achieving a few goals at least, rather than failing to achieve any of them.

In my view, the priority should be the nexus of development, climate change and disaster reduction, as addressing these is crucial for most developing countries.

Disaster risk reduction is primarily to do with hydro-meteorological events such as floods and cyclones, which will get worse with climate change. So, DRR and adaptation to climate change go together. At the same time, the risks of disasters related to climate change have the potential to set back development achievements.

In the case of Bangladesh, this means that different ministries and other stakeholders that have been working in isolation need to find ways to work together more effectively.

For example, DRR is under the Ministry of Disaster Management and Relief; climate change adaptation is under the Ministry of Environment, Forest and Climate Change; and development is under the purview of the Ministry of Finance and the Planning Commission. The civil society and the private sector also work in an isolated manner.

The good news, in the case of Bangladesh, is that we do not need to start from scratch, as we already have an SDG coordination body under the Prime Minister's Office. It has excellently mapped jurisdictions for different ministries against each of the SDG. At the same time, civil society organisations have also been brought under the umbrella of each SDG, coordinated by the Centre for Policy Dialogue (CPD).

The next opportunity for us will be to build on this foundation and take it to the next level through the ninth Five-Year Plan, which is currently being prepared. Bangladesh is now in an excellent position to create a truly multidisciplinary and cross-cutting plan, using which we can effectively address development, climate change and disaster risk reduction.

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