



Many of our elderly citizens have to face waves of corruption and harrasment just to get their much-deserved retirement benefits.

PHOTO: RASHED SHUMON

INTERNATIONAL DAY OF OLDER PERSONS

Protect senior citizens from the clutches of corruption



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The senior citizens of our country, who have tried their best to contribute to society, have every right to live a happy, secure life after retirement. Unfortunately, what ends up happening is them having to depend on relatives. Although the tradition of family supporting the elderly is quite strong in Bangladesh, the worsening economic situation has put at least 48 percent of Bangladesh's households under immense financial pressure, according to a survey of Bangladesh Institute of Development Studies (BIDS).

These families are struggling to take care of the elderly, who are very much dependent on the earning members for food and healthcare. And the number of elderly people is increasing in Bangladesh, with their growth rate being faster than that of the whole population. According to the Population and Household Census 2022, there are 1.53 crore people aged 65 or above in Bangladesh, whereas in 2011, there were 1.02 crore. In such a scenario, it is imperative to ensure that this group is financially independent to help them spend a dignified and happy life.

To this end, the government's universal pension scheme came with a ray of hope which, if implemented properly, can give relative financial safety for the elderly. However, if we look at how authorities are currently administering other pension schemes and social protection programmes for the retired and elderly citizens, we cannot help but become apprehensive about the future of the universal scheme as well.

Except for high-ranking government officers and employees of some autonomous bodies, there are allegations that government employees have to face harassment to get their retirement benefits. They have to pay hefty bribes and wait for an uncertain period to just get their hard-earned money.

On September 22, 2022, a report published in this newspaper revealed that the wife of an officer of the forest department, who died of cancer, had to pay Tk 50,000 as bribe to receive her late husband's retirement benefits. This is just one example of what may happen.

In 2019, the Anti-Corruption Commission published a report in which it identified 33 sources of corruption in the finance ministry, and the first source mentioned was pension funds. Officers of the accounts offices regularly received bribes by blocking pension funds or by procrastinating to approve funds, arrears and other financial benefits.

One of the most blatant examples of harassment of elderly citizens can

be seen in the crowded rooms of the Non-Government Teacher Employee Retirement Benefit Board. This board was established to disburse pension and retirement benefits of teachers who work in non-government schools but receive a government allowance called MPO. There are around 500,000 MPO-recipient teachers in the country at present.

The government deducts 10 percent of their monthly salary on

When high-ranking government officials are getting retirement benefits automatically transferred to their bank accounts, the large number of lower-level government and non-government employees, and the elderly and vulnerable people in general, are facing harassment due to a corrupt and primitive fund management system. Without curbing this corruption, the government has imposed a further 27.5 percent tax on provident funds of non-government employees.

condition that after retirement these teachers will get a fund equivalent to 100 months' salary. Every month, the teachers contribute Tk 113 crore. However, there are widespread allegations that most of the school teachers have to wait at least for two years to receive their post-retirement benefits. There are many reports in the media that the teachers did not get a single penny even after waiting for five to 10 years after retirement. Many have died and their relatives are now going door-to-door at the board office asking for the funds.

At present, more than 62,000 retired teachers are waiting to get their pension and retirement benefits. Every month, the board receives around 800 new applications from the retiring teachers. Many of them, who do not have any other means of income and are suffering from health complications, badly need the funds they have entrusted to the government. Unfortunately, instead of getting them in a hassle-free manner, they have to bribe officials or wait for an indefinite period.

Every year, the board and related

welfare trust need around Tk 1,100 crore to disburse the retirement benefits. However, they can earn only Tk 680 crore from the contributing teachers. The rest of the money was supposed to be paid by the government, which is not done so regularly. As a result, the board and trust suffer from around Tk 300 crore deficits, which leads to sufferings for elderly teachers.

Not only in managing pension funds, the government has also failed miserably to prevent corruption in the disbursement of social protection funds for the elderly people in general. In the fiscal year 1997-98, the then government introduced an allowance for elderly citizens who do not receive pension or any form of allowance from the government. From the current fiscal year, the government has been paying Tk 600 per month as the allowance. However, according to a recent study conducted by the Centre for Policy Dialogue, 3.3 million elderly people, roughly one-third of the elderly population, are not receiving this allowance. Over 2.5 million are not getting widow allowance as well.

The study further reveals that an additional 2.5 million people, who are not eligible at all, are receiving elderly allowance. In this way, every year, the government is wasting Tk 1,500 crore. There are numerous reports in the media describing how local influentials and ruling party activists and leaders are seizing the funds by bribing local government officials.

Meanwhile, the process that is followed to disburse funds is also an agonising and humiliating experience. The elderly citizens, many of whom are sick and weak, have to stand in long queues in the office of the upazila nirbahi officer, which usually doesn't have sunshades or sitting arrangements.

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Such failure to curb corruption and impractical tax imposition may drive people away from the universal pension scheme out of fear that they will not get their money back when they need it due to corruption, or they will not make any profit due to the heavy tax burden.

When the government is trying to popularise the universal pension scheme, it must prove its commitment to protecting the elderly and vulnerable population by eradicating corruption in the existing pension and social protection programmes. Otherwise, the growing financial hardship will put this group in an extremely desperate situation in the near future.

Can BRICS de-dollarise global economy?



AN OPEN DIALOGUE

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The highlight of the 15th BRICS summit was the agreement to admit six new member countries – Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE – which will officially join the group on January 1, 2024. “This membership expansion is historic,” said Chinese President Xi Jinping, the bloc's most stalwart proponent. “It shows the determination of BRICS countries for unity and cooperation with the broader developing countries.”

Another significant outcome of the summit was the group's declaration to work towards an alternative multilateral currency to replace the dollar. Nicknamed the “bric” by some cheeky observers, this new currency is expected to increase the payment options for emerging markets and developing economies (EMDE), and reduce their vulnerability to dollar exchange

Extensive US sanctions have driven some countries to transact in other currencies, accelerating the urgency for de-dollarisation. The US relies upon the dollar's dominant currency status to exercise “coercive economic statecraft” and sanction its adversaries.

Following Russia's invasion of Ukraine, an increasing number of countries, including US allies such as India, have explored ways to continue trading with Russia without involving the dollar. Meanwhile, the Chinese yuan has become the most traded currency in Russia.

For a long time, UN Secretary-General Antonio Guterres has called for major reforms of the international financial system. Guterres attended BRICS' expansion announcement, reflecting the bloc's growing influence. He echoed



China is among a number of countries looking to challenge the dominance of the US dollar.

PHOTO: REUTERS

rate fluctuations. Obviously, bric will have to compete with special drawing rights (SDRs) and euro, the other currencies popular in the international market. While the hype about a common BRICS currency might be impractical and premature, trading in national currencies is increasingly becoming common.

What has driven the BRICS nations to push for their own currency and embark on this journey to depose the dollar from its pedestal? What are the chances that BRICS will be able to de-dollarise the global financial system? The factors contributing to the de-dollarisation initiative are plenty.

The US dollar is used as a reserve currency and a medium of exchange. Countries hold reserves for many reasons, as a buffer to overcome economic shocks, pay for imports, debt servicing, and moderate the value of their own currencies. The dollar is the most commonly held, making up 59 percent of global foreign exchange reserves, and second comes the euro, accounting for roughly 20 percent.

The dollar is also the dominant international medium of exchange. By one measure, it is now used in 84.3 percent of cross-border trade – compared to just 4.5 percent for the Chinese yuan.

The call for de-dollarisation did not come out of the blue. World leaders and economists have expressed their desire to dethrone the dollar since the 1960s. Former Bank of England governor Mark Carney told central bankers at the Jackson Hole Symposium in 2019 that the dollar's dominance is the “destabilising asymmetry” growing “at the heart of international monetary and financial system.”

However, while there has been very little progress in that area, the urgency has increased recently.

BRICS' long-standing calls to reform the UN Security Council, International Monetary Fund and World Bank.

“Today's global governance structures reflect yesterday's world,” he said. “For multilateral institutions to remain truly universal, they must reform to reflect today's power and economic realities.”

De-dollarisation would need countless exporters and importers, as well as borrowers, lenders and currency traders worldwide, to independently decide to use other currencies. But, it appears things are moving that way. In 2023, BRICS surpassed the global GDP contribution of the G7 countries, according to a BRICS mouthpiece, and accounts for nearly one-third of the world's economic activity.

The dollar's dominance is causing other problems, too. US monetary policy and political decisions have a major impact on smaller economies not to mention the competitors.

China is quite vulnerable to these “dollar shocks.” The People's Bank of China, the central bank of the world's second largest economy, is facing a turbulent prospect exacerbated by the chaos in its real-estate market. The People's Bank is lowering rates in contrast to the US Fed's rate-raising efforts. The yuan lost 13 percent of its value versus the dollar since the beginning of 2022.

The dollar reached a 20-year high

in 2022. Earlier this year, speculators were betting on its decline, but the Fed's decision on September 20 to hold the rates steady is unlikely to weaken its position in foreign exchange markets. Since July 2023, the US Dollar Index, which tracks its value against six other major currencies, has risen more than five percent.

According to a Brookings Institution research paper entitled, “US interest rate increases and crisis probabilities in developing economies,” shocks that have driven US interest rates upward during 2022 are especially likely to trigger financial crises in the developing world. “Further increases in US interest rates can result in more widespread currency distress, given the increase in EMDE debt and the depletion of foreign currency reserves that has taken place of late,” it concludes.

Proponents have argued that the bric would protect adopters against devaluation when the dollar rises. There are emerging economic and geopolitical incentives for others to de-dollarise.

The idea that BRICS nations might be trying to break the stranglehold of the dollar is already creating a lot of pushback from the media and others. In an interesting