

Bangabandhu tunnel comes with great promise

Can Bangladesh reap its many benefits?

It is a proud moment for Bangladesh to be opening South Asia's first underwater tunnel, and we congratulate the government for getting this impressive engineering feat completed, despite delays due to land acquisition, Covid-19 pandemic as well as escalating costs of the project. That such a complex and challenging work could be finally accomplished, seven years after its foundation stone was laid, is certainly something to celebrate. The Bangabandhu tunnel under the Karnaphuli River connects two major towns on opposite banks and will significantly reduce travel time to Cox's Bazar and Chittagong Hill Tracts. There are immense benefits to be reaped from the enhanced economic activities and boost to tourism over time.

No doubt the 9.32 km tunnel, which has been jointly financed by Bangladesh and China and constructed by a Chinese company, is a remarkable engineering feat, and the experience of local engineers and workers who helped build it will be invaluable. While the highly advanced technology used to build the tunnel assures us of its safety, we would hope that it will be managed efficiently, and in a planned way, so that its objectives to reduce traffic congestion and reduce travel time are realised. Proper monitoring with adequate patrols is extremely important to ensure that speed limits and other traffic rules are followed properly.

Built at a cost of Tk 10,689.42 crore, it is certainly one of the most expensive mega projects of this government and it is important that such a large investment brings in equivalent benefits. According to the feasibility report of the tunnel, over 7 million vehicles will be able to travel through it every year, with an average of 28,305 vehicles every day, by 2025. The tunnel will give a fillip to the Chattogram port, local industries and the Bangladesh Navy as it will facilitate access to the Bay of Bengal. It is also expected to be beneficial for the Korean EPZ and under construction China EPZ. Around 80 industrial facilities – including textiles, shipbuilding, food processing, steel and cement industries – are to be constructed along the Karnaphuli River. This, in turn, promises better living standards and employment opportunities in the region. Cross-border trade is also expected to increase significantly between Bangladesh, India and Myanmar. As part of the "One Belt, One Road" initiative, it will be part of cross-country transport corridors.

These are exciting predictions, and we wholeheartedly desire that they are fully realised.

An industrial park plagued by delays

Pharmaceutical hub lying unused even after 5 years of inauguration

The pharmaceutical industry has been one of the success stories of Bangladesh's economy in recent years. The industry produces a substantial amount of medicine annually, thus contributing to our exports and employment. However, it is still heavily reliant on imported raw materials needed for drugs. So when a pharmaceutical industrial park in Gazaria, Munshiganj was inaugurated by the prime minister in 2018, it was heralded as the start of the next phase of its journey – from having to import 90 percent of its raw materials to producing most of them domestically and reducing import costs by about 70 percent in the process.

However, according to a report by Prothom Alo, five years on, not only is the industry far from reaching that goal, but it is also far from making the park itself operational. This is primarily due to the absence of gas connectivity. Reportedly, despite frequent engagements with the relevant authorities, gas supply could not be ensured in the hub even though internal pipelines have been installed. As a result, only four out of the 27 pharmaceutical manufacturers who were allocated land to set up factories there have done so – but none of them could commence production. Additionally, the surge in the dollar exchange rate and ongoing economic pressures are also deterring manufacturers. The project, thus, has become a perform storm of unrelenting delays and procedural setbacks. And for that, all the parties involved – including the Bangladesh Small and Cottage Industries Corporation (BSCIC), which is implementing the project, and Titas Gas, responsible for supplying gas – are equally responsible.

The question is, why do projects that start with such promise often end in disappointment? We have seen the same happening with some other industrial projects as well. This is not just a matter of delayed work stalling progress; it is also unfair to the taxpayers who are paying for them. The cost of the pharmaceutical project, when began in 2008, was originally estimated at Tk 213 crore. The budget was revised to Tk 381, and the project deadline extended four times, before its physical infrastructure was finally completed. Who will take responsibility for these irregularities? Who will ensure the participation of drug manufacturers to make all this work? We urge the government to breathe fresh life into the project by operationalising it as soon as possible.

LETTERS TO THE EDITOR

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Dhaka needs a superior bus system

A significant portion of Dhaka's population uses public buses as their primary mode of daily transportation. But sadly, it can be quite distressful and draining for one to ride on one of these. Instead of allowing these private buses, owned by politically powerful people, on our roads and inundating our streets, wouldn't it be more prudent and efficient for the government to invest in a public transport system that will actually serve the general public, and do so well?

Israq Hossain, Dhaka

Food insecurity is haunting our poor



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According to the latest World Food Programme's (WFP) survey report, in August 2023, about 24 percent of Bangladesh's population (or, 40 million people) were food-insecure, a trend observed to be increasing since May this year. Food insecurity means that people do not have enough food or the right kind of food to meet their nutritional needs and lead a healthy and active life. This, of course, can have negative impacts on people's physical and mental health, education, livelihoods, and social cohesion.

The WFP survey revealed that 47 percent of the food-insecure were in low-income households, compared to nine percent in medium-income households, and less than three percent in high-income households. The survey also revealed that 30 percent of the households reported insufficient food consumption and 74 percent of households reported buying small quantities and less expensive food from the market. The consumption of micronutrient-rich food decreased for all households. Concerns over high food prices remained prominent; some 71 percent of households reported that this rise was their deepest concern and significantly affected their well-being. More households relied on negative coping strategies to put food on the table. More than seven in ten households applied livelihood-based coping strategies such as borrowing money, selling productive assets, or going into debt to buy food.

The picture emerging from the WFP survey is not very different from the findings of SANEM in March this year, from a survey on 1,600 low-income households in eight divisions to examine the impact of inflation on their living conditions. The survey revealed that over 70 percent of poor households had reduced their food consumption, especially for meat, fish and eggs, and had opted for low-quality food. The survey also showed that the main coping mechanisms of these poor households were changing food habits, borrowing money, spending less on health, education, and clothing, and depleting their savings. Ninety percent of the poor households said they had changed their food habits, and more than half of the households had slashed essential non-food spending. Moreover, 75 percent of poor households



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PHOTO: RASHED SHUMON

depended on borrowing from various microcredit and other informal sources at high interest rates, which increased their chances of falling into a debt trap.

The aforementioned food insecurity situation in Bangladesh is primarily due to the erratic nature of food prices in the domestic market, which has remained unmanageable for a long period of time. From February 2022 to September 2023, the country's monthly inflation rate (point-to-point) increased from 6.2 percent to nearly 10 percent. Since August 2022, the monthly inflation rates have remained well above 8.5 percent. More worryingly, the food inflation rate has gone over 12 percent in recent months.

No doubt, Bangladesh is facing an unprecedented inflation situation which has reached its highest level in 11 years. Inflation erodes the real income of people, especially that of the poor, who have less purchasing power to even afford their basic needs.

The soaring food prices, coupled with falling real income, pose a serious challenge for the poor in terms of accessing adequate and nutritious food. The situation is worse for those who have limited employment opportunities or insecure jobs, especially in the informal

sector, where they have no protection or benefits. Most of the poor are forced to resort to their savings or going into debt to cover their daily expenses, but these options are also limited for many others. The case of food insecurity in Bangladesh represents the "entitlement failure" of poor people to food. Entitlement failure is a term coined by economist and Nobel laureate Amartya Sen. According to Sen, entitlement failure occurs when people lose their ability to acquire food through legal means, such as production, trade, or transfer. Entitlement failure can happen even when there is no shortage of food at the aggregate level, but rather a change in the distribution or exchange of food. This situation can emerge because of a rise in food prices due to inflation, speculation, and hoarding, which can make food unaffordable for many poor people. Entitlement failure can also result from social and political factors—such as discrimination, corruption, conflict, or displacement—that limit people's access to food and resources. The concept of entitlement failure questions the traditional view that food insecurity happens only due to food scarcity, while highlighting the importance of social and economic rights and justice for achieving food security.

To address food insecurity in Bangladesh, there is first a need to ensure an adequate supply of food items in the market by substantially increasing domestic production of crops, facilitating timely sourcing of critical food imports, and finding

management, which involves overseeing the market and enforcing laws and rules to stop unfair practices, is too weak in Bangladesh and frequently causes food prices to rise without any valid reasons. The government bodies in charge of stopping unfair practices by big companies in the market must realise their roles here.

Additionally, the implementation of pro-poor policies and programmes is necessary, as these can enhance people's income opportunities, access to assets and services, social protection systems, and resilience to shocks.

Sustainable agricultural practices also need to be promoted in order to increase productivity, diversify crops, conserve natural resources, adapt to climate change, and reduce post-harvest losses.

Finally, spreading nutrition awareness among people, especially women and children, needs to be improved to stress on the importance of a balanced diet that includes essential micronutrients.

By taking these actions, Bangladesh can not only improve its food security, but can also achieve broader development goals.

Goldin's economics and the lessons for us



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ABDULLAH SHIBLI

Many social scientists across the globe have asked, "Why do women get paid less than men?" For decades, the standard answer to this question has referred to bias, discrimination, and biological differences. However, Claudia Goldin, this year's Nobel Prize winner in Economics, wanted to look beyond these factors. Her findings on why women earn less and how this has gradually evolved over the last century, brought about a quiet revolution in economic thinking and the realm of policymaking. Goldin hypothesised that women are typically penalised by the existence of many "greedy jobs"—demanding jobs for which the hourly wage increases with the number or type of hours worked (evenings, weekends, holidays)—mainly because women are expected to handle the bulk of domestic duties.

The Nobel Committee's announcement credits Goldin, an economic historian and labour economist, for giving us a new perspective on the age-old problem of women's underrepresentation in the labour market and "for having advanced our understanding of women's labour market outcomes." Claudia Goldin "provided the first comprehensive account of women's earnings and labour market participation through the centuries. Her research reveals the causes of change, as well as the main sources of the remaining gender gap," the Committee declared.

Goldin, an economics professor at Harvard University, became the first tenured woman in the department in 1990. She is only the third woman to receive the Nobel in Economics and the first woman to win the award solo.

Her most recent research paper, "Why Women Won," discusses the role of women's rights legislation and pays tribute to the relentless work of women's rights associations. Accolades for Goldin have been pouring in from across the globe.

Goldin's research spans many areas, including the economic history of women and education, the gender gap in earnings, income inequality, technological change, education, and immigration.

In her latest book, *Career and Family: Women's Century-Long Journey toward Equity*, Goldin was eloquent: "The converging roles of men and women are among the grandest advances in society and the economy in the last century." Then she asks, what does society need to do to ensure that there is equality in the labour market? And she provides an answer: "The solution does not (necessarily) have to involve government intervention and it need not make men more responsible in the home (although that wouldn't hurt). But it must involve changes in the labour market, especially how jobs are structured and remunerated to enhance temporal flexibility."

What is the policy implication to

diminish the last remnants of the gender gap? In this book, Goldin shows that the gender gap in pay would be considerably reduced if companies did not reward employees who work long hours or particular hours when they are needed at home during dinner time, for childcare, or for other family responsibilities. But some women with children find the inflexibility of the work insurmountable.

So, what is to be done? Goldin found that there are many professions with flexible hours where men and women can perform the job equally well. For example, as pharmacists or programmers. In industries which include technology, science, and health, professionals of any gender can substitute one another.

In a review of Goldin's book, Prof Barry Eichengreen of the University of California, Berkeley, points out that, for much of the 20th century, the pay gap between women and men reflected discrimination, the consequences of marriage, differences in educational attainment, and occupational choices. "Today, by contrast, those obstacles to gender parity have been reduced, and the pay gap reflects other causes, including how childbirth and child rearing interrupt female labour-force participation. More importantly, it reflects how women tend to choose employers and career paths that allow for flexibility and do not require overtime hours and erratic work schedules," Eichengreen concludes.

To reduce the gap in "couple equity,"—where a working man has a higher pay than a working mother in the same family—Goldin suggests that firms could make flexible and part-time work more productive and better remunerated, and that governments could provide more generously for childcare. More fundamentally, "redressing the pay gap will require

revisiting the social norm that women are primarily responsible for child rearing."

Another area of research by Goldin, which has considerable relevance for Bangladesh, is in the economic history of fraud and corruption in the US. In *Corruption and Reform*, which she co-edited with Edward L. Glaeser, contributors address the measurement and consequences of fraud and corruption and the forces that ultimately led to their decline. They show that various approaches to reducing corruption have succeeded, such as deregulation as well as an independent press, which kept a watchful eye over government and business.

A fundamental takeaway from Goldin's work is that the source of the gender gap is not constant as a society transitions from one period of development to another. Rather, her work highlights which factors are most relevant at various stages of economic development and, importantly, how multiple sources of gender gaps often interact with each other. For instance, policies aimed at improving female educational attainment—an ambition of many developing countries today—will not be effective at closing labour market gender gaps if social norms or institutional barriers keep women out of the workplace and certain jobs.

Back to this year's winner of the Nobel in economics, the background paper prepared by the Nobel Committee summarised her role best: "Goldin's masterful account of the economic history of women has provided novel facts about the many dimensions of the gender differences in the labour market, and uncovered both the driving forces of these gaps over time and the gaps that remain today."