

Rising inequality will be our doom

BBS survey reveals alarming picture of wealth concentration

The latest Household Income and Expenditure Survey released by the Bangladesh Bureau of Statistics (BBS) has once again brought to light the stark reality of escalating income inequality in the country. Analysing data collected over the period of 2016-2022, it reveals that the top 10 percent of the wealthiest households in Bangladesh now hold 40.92 percent of its total income, which was 38.09 percent in 2016. Similarly, the top five percent of households control 30.04 percent of the total income, up from 27.82 percent in 2016. Concurrently, the bottom 50 percent of households have seen their income share drop to 19.05 percent, from 20.23 percent in 2016.

Even if we take government-produced data with a pinch of salt, the picture that emerges from these findings is quite alarming. For a nation built on the principle of equality, the widening gap between the affluent and the poor is an affront to our foundational aspirations. It also runs counter to the government's promise of inclusive growth, which it again reiterated in its election manifesto. The truth is, over the years, while the affluent kept amassing wealth exploiting poor financial policies and governance, the underclass—that sad residue of a seemingly prosperous but unequal society—kept seeing their share of benefits taken away from them.

The surge in inequality, experts say, has been largely due to unchecked corruption and systemic irregularities that resulted in various scams in the banking sector, tax evasion, money laundering, and so on. Another underlying reason has been the dearth of job opportunities for ordinary people. Two recent reports—by the Centre for Policy Dialogue (CPD) and the Transparency International Bangladesh (TIB)—have highlighted how bad the situation is. The first revealed that more than Tk 92,000 crore have been syphoned out of our banking sector through 24 major loan scams since 2008, while the second showed how the 2024 general election will witness the highest number of superrich political candidates, mostly from the ruling party, with many seeing astronomical increases in their wealth over the years. When so much wealth is concentrated in the hands of a few, legally or illegally, the vast majority is bound to fall behind.

If this situation persists, people's suffering and living crisis will only continue to grow. The BBS survey should serve as a wake-up call for a critical rethink of our current development policy, and for the government to ensure equitable income/wealth distribution by preventing corruption and undertaking pro-people reforms.

Dhaka's forever toxic air

Do the authorities have any plan at all to contain air pollution?

It is totally unacceptable that, over the last few years, our capital city has been constantly on the list of the worst cities in the world in terms of air pollution, the latest "nod" coming on Thursday morning, before a similar one just the day before. As a recent study by the Centre for Policy Dialogue (CPD) has shown, air pollution has increased by almost 13 percent in Dhaka since 2020. But while city dwellers have been suffering from various health-related complications by breathing in polluted air regularly, the authorities seemed rather nonchalant about it. We have hardly seen any substantial measures taken to reduce the toxic air. Will this continue to be the reality for us? Or will something be done about it?

We all know about the major sources of air pollution: smoke from brick kilns, dust from construction sites, fumes from life-expired vehicles, inefficient cooking practices, etc. Measures that can help reduce it—such as phasing out conventional brick kilns, covering up construction sites and materials, spraying water on the streets, etc—are not unknown either. Unfortunately, despite frequent urgings by citizen groups, the authorities have failed to ensure proper implementation of these measures. In particular, the environment ministry has miserably failed to provide us with any specific action plan to contain air pollution or play a decisive role to ensure results. The Department of Environment has set up a few air quality monitoring centres across the country. But what good are such centres if we cannot stop major polluters or sources of pollution from causing it in the first place?

Research has found that air pollution causes about 20 percent of all premature deaths in Bangladesh, while it is also increasing premature births in Dhaka. On average, each Dhaka resident has to spend Tk 4,000 a year for diagnosis and treatment of diseases likely caused by polluted air. How much, or long, must we suffer before the authorities come up with a pragmatic action plan to prevent it?

LETTERS TO THE EDITOR

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Stop illegal sand-lifting

Sand-lifting has been a disastrous problem in our country. Unabated sand lifting from the river sides by influential people has become a common scenario, only worsening the overall condition of the rivers and the people who reside there. Experts say that unregulated sand mining causes river erosion, and harms aquatic ecology. Despite regular reports in news media, and specific individuals being accused, there haven't been enough action to bring the perpetrators to justice. Only strict monitoring and an end to impunity can ensure this problem is solved forever. I urge the authorities to look into this matter urgently.

Fardin
Dhaka

2023 was the year of inflation

Will 2024 be more of the same?



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In Bangladesh, 2023 was the year of inflation. According to the Bangladesh Bureau of Statistics (BBS), inflation has consistently remained above nine percent since March. Food inflation was even higher, peaking at 12.56 percent in October—the highest in at least a decade. However, there is a question about the extent to which these official figures reflect the true picture of inflation.

Although the government has blamed the Russia-Ukraine war for price inflation, it was observed that even after the cooling down of the global commodity market, prices of daily necessities in Bangladesh did not decrease but increased instead, which indicates that local factors such as incorrect government policies and failure in market management are behind this inflation.

In general, this year's high inflation can be attributed to the massive increase in oil, gas and electricity prices by the government, depreciation of the taka against the US dollar, import controls due to foreign exchange reserve crisis, and the attempt to meet the budget deficit by printing money from the Bangladesh Bank. But the sudden increase in the prices of daily necessities such as eggs, chicken, onions, potatoes, sugar and oil cannot be justified using these issues alone. This abnormal price hike was caused by certain structural factors in the commodity market, namely: 1) the dominance of a few large business groups over the market; 2) lack of accurate statistics on the demand and production of essential commodities and the illusion of food self-sufficiency; and 3) inadequacy of government action to control the prices of essential commodities.

The presence of syndicates in the country's market has been in public discussion for a long time. But this year, prices of daily commodities increased so much that the presence of these syndicates became painfully obvious. In the span of just a few weeks, the price of broiler chicken increased by Tk 100 per kg, the price of eggs increased from Tk 145 to Tk 180 per dozen, the price of potatoes increased from Tk 40 to Tk 70, and the price for onions doubled overnight. Markets for sugar and edible oil also remained volatile throughout the year.

This would not have happened if the market was not monopolised by a

few large businesses. For example, five companies dominate the sugar market, four companies control the edible oil market, and four companies rule the poultry sector. Meanwhile, owners of large rice mills are dominating the rice market. Only under such levels of monopoly was it possible to sell broiler chicken at Tk 80-90 more than the cost of production, while egg prices were manipulated through SMS and potatoes purchased from farmers at Tk 10 were put in cold storage and then sold at Tk 70.



VISUAL: REHNUMA PROSHOON

This is why, although the prices for soybean oil, palm oil, sugar, flour, wheat, onions, lentils, chickpeas and peas decreased in the global market significantly from the prices when the Russia-Ukraine war first broke out, there was no price reduction in the Bangladeshi market. While ministers have acknowledged the existence of these syndicates on different occasions, no effective steps have been taken to dismantle them.

Our ministers often claim that the country has become self-sufficient in food production. However, whenever food prices rise on the global market or India bans the export of rice, sugar or onions, the shortage of these

commodities within the country catches one's eye more. The reason behind this is that, according to the Food and Agriculture Organization (FAO), Bangladesh has to import more than 12 million tonnes of food grains every year, making it the third-largest food importer in the world. But since the government lives under the illusion of food self-sufficiency, it cannot play a timely role in dealing with the crisis of food commodities within the country.

It is due to this illusion that the government first took the initiative to export potatoes, boasting about record production, and then decided to import potatoes after not being able to control the price on the local market. According to data from the Department of Agricultural Extension (DAE), more than 3.4 million tonnes of onions have been produced in the country this year, against the annual demand of 2.6-2.8 million tonnes. Due to this excess production compared to

the demand, the government did not take the initiative to import onions on time, making it possible for traders to create an artificial shortage of onions in the country and sell the essential food item at higher prices as soon as India declared an export ban.

The same problem exists in terms of the demand and production of eggs. According to the Department of Livestock Services, egg production increases significantly every year. But private sector data shows that egg production actually decreased by 14 percent between 2022 and 2023. Due to a lack of accurate information about the demand and production of eggs, the government has been unable to play a proper role in regulating egg prices.

The steps taken by the government to control prices of essential commodities this year were not sufficient or effective. It fixed the prices of oil, sugar, onion and potatoes, but could not enforce these prices. In times of crisis, it is necessary to increase the supply of daily commodities on time, stop traders from hoarding, and break up syndicates. Though the government sells some commodities at low prices through the Trading Corporation of Bangladesh (TCB), this cannot have much impact on the market due to the insufficient amounts of goods and the prevailing dependence on imports. In the end, to ease a supply crisis, the government mainly depends on the private sector—over which it has no effective control. Even though the market manipulators have been exposed from time to time, no effective action has been taken against them. This is why questions became

more pressing this year regarding whose interests the government is protecting: the general people's or the big businesses'?

The government needs to ensure that the correct statistics for production, demand and supply of daily necessities (including food items) are available. Buying essential food crops from farmers during harvest season at fair prices and selling those during crisis periods at subsidised prices can also help us go around abnormal inflation. It is also crucial to reduce dependence on any single country for imports while also increasing local production. Most importantly, the dominance of large business groups over Bangladesh's commodity markets must end.

Strong local government for developing democracy



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A democracy works when all people, including the most marginalised, engage in the government process, have the ability to ask questions, and demand accountability. It is the local government where democracy can develop best. However, the long history of local government in Bangladesh has been marred by numerous issues that have hampered the formation of functioning institutions that provide democratic education to the local people. A stable union parishad, the lowest tier of local government, is crucial for the long-term development of rural communities and the strengthening of democracy.

Bangladesh has been striving to become a democratic developed nation since independence. However, political ups and downs, implementation of a one-party system, military regulations, and political parties jostling for power have jeopardised the country's democratic journey. The country's political difficulties are founded in its political culture. This culture has also harmed Bangladesh's efforts to democratise its local government structure.

In 2016, a paradigm shift occurred in the country's political system as local elections were held along party lines for the first time. The government says that local government elections can be more participatory if they are party-based. Now, although it is still too early to give a verdict on the party-based electoral system for local government, the developments around the elections so far—such as the volume of violence, complaints related to nominations, corruption, etc—send a negative message. As union parishad elections were previously held on a non-party basis, numerous neutral and locally popular candidates were able to be elected. But now, this does not happen as often. Furthermore, the nomination process has been tainted by corruption. As a result, the party-based approach to local government elections faces questions.

On the other hand, however, party-based elections can provide an opportunity for locals to be conscious in selecting their leaders and increase their participation in the development process at the grassroots. Party-based elections allow elected representatives

to reap the most benefits from the political government. The party in power thus gets to implement its programme at the local level with full support from its elected members in union parishads.

But administrative authorities at the union parishad level tend to be bureaucratic and estranged from the people. As a result, people are unable to participate fully in many local government activities.

The fragility of the local government's socio-economic base also continues to be a major impediment to democratic education. Plus, the unequal economic structure influences union parishads, making it so they are frequently trying to fulfil their parties' interests. As a result, local governments are unable to provide adequate services to the public. The presence of a local elite also discourages people from engaging with the union parishads, resulting in a less effective local government.

In addition, candidates who lose (and their supporters) often clash with the winners and refuse to collaborate with the elected members, making the work of elected parishads difficult. National political activities are also forced onto the grassroots-level units in many ways. As a result, people at the local level become divided along political lines and do not try to coexist productively. Moreover, in rural Bangladesh, a patron determines a candidate's political engagement, and this patron-client relationship jeopardises the local government's ability to play an effective role in

democratic development and also turns the vast majority apolitical.

Democratisation of political parties is the first step towards having an ideal democracy. The key task for a political party now will be to organise itself with dedicated supporters who will guide the party's wheel at the grassroots level.

Union parishads can play the important role of reacting to local demands. For example, they can provide a framework for women's participation in political decision-making, and a chance to bring women to the centre of local development. It is unacceptable that female representatives, when elected as chairpersons or general members, are frequently ignored during decision-making only because they are women. Their participation in local government will allow for a mosaic of interests to be fulfilled and give us a pluralistic, integrated society.

Strong political will is required for the democratisation of local government organisations in Bangladesh to be effective. In order for progress to be meaningful, people must be personally involved in the formulation and implementation of decisions. This calls for decentralisation of democracy to the most fundamental level. Moreover, political education for the masses and the formation of public opinion on government policies, roles, and functions is the need of the hour. Institutionalisation of party operations—that is, the development of a political education plan and a code of conduct for parties—is critical.