

Desperation deepens for informal workers

MD ASADUZ ZAMAN

At around 7:00am last Thursday, with temperatures hovering at a chilly 13 degrees Celsius, Rashida Khatun arrived at the capital's Agargaon intersection.

The 55-year-old, with sandals worn from her daily trek to the spot, found a seat on a concrete structure on the sidewalk. Once situated, she wrapped herself up in a thin sheet and began her wait.

She was hoping to find employment at the location, which is a popular 'labour haat', a floating marketplace from which day labourers are hired.

Rashida regularly comes to the spot to find work as a housemaid on a daily basis and also works as a labourer at construction sites.

"Although I come here every day, I am often unable to find a job. If I am hired for a day, I can earn Tk 600 to Tk 700. Otherwise, I have to return empty-handed," Rashida, who hails from Nakla upazila in Sherpur, told The Daily Star.

She has found only six days of work in the new year despite braving the cold every day until January 18.

Rashida, who was abandoned by her husband shortly after giving birth to their first child, lives at Agargaon slum.

"If I remain idle, it costs me more," she said.

Rashida is one of the informal workers in the country and her story reflects that of lakhs of day labourers, who are struggling to contend with rising living costs stemming from elevated inflation for the past two years.

Average wage growth remained well below the inflation rate in Bangladesh for the 23rd straight month as per the Bangladesh Bureau of Statistics (BBS), indicating a worsening situation and compelling many to cut consumption amid falling real income.

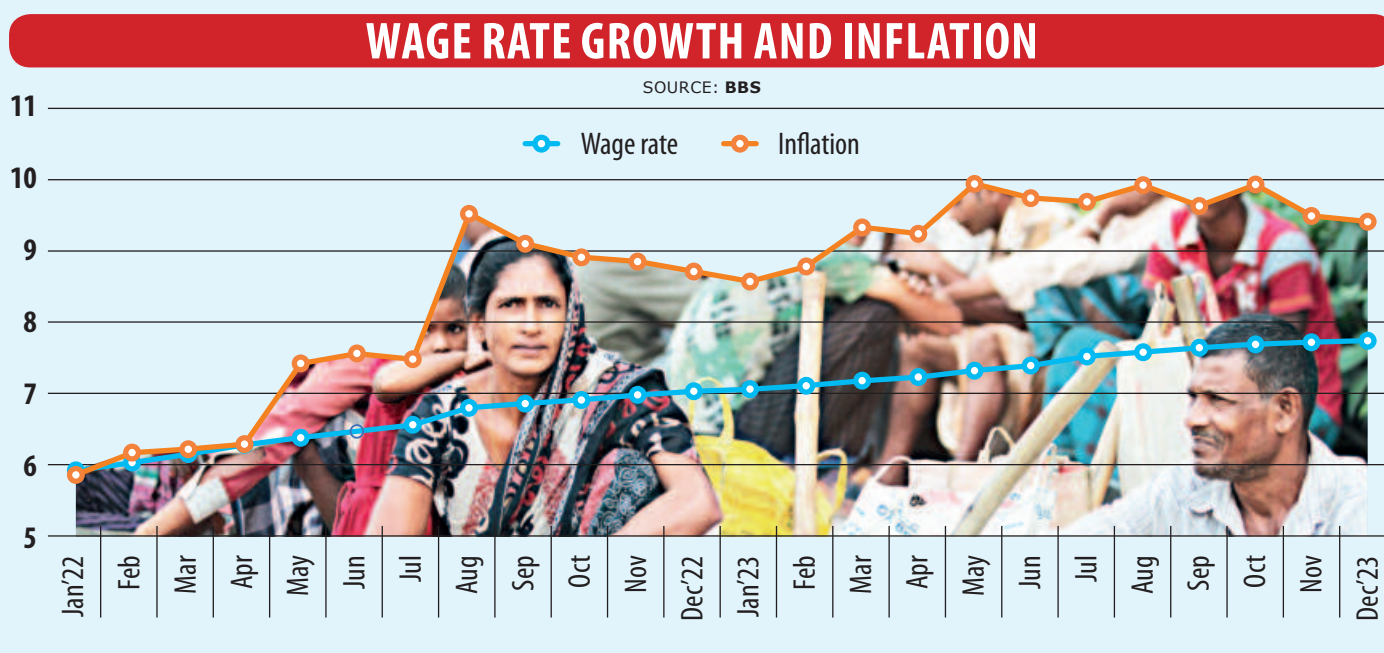
With prices of essentials rising and work apparently at a premium, Rashida has had to cut back on everything, including winter vegetables.

"Potatoes and onions are usually affordable in winter, but this time around prices are still so high. I have reduced my consumption of onions and I couldn't even manage 250 grams of beef this month," she lamented.

"Although I live in a tiny room, I have to pay Tk 2,300 per month. If I am even a little late with the payment, the owner asks me to leave the home," she said.

There are also additional expenses, ones that many urbanites do not even think about.

"I have to spend Tk 10 per day to bathe at the slum's pumphouse, which adds up to Tk 300 monthly," she said, adding that she could not avail



any government benefits, such as getting a family card to buy goods at subsidised prices from the Trading Corporation of Bangladesh, because her permanent address was not in the capital.

At 7:14am, another female labourer, Minara Begum, joined Khatun. She had travelled from a slum near the National Institute of Traumatology and Orthopaedic Rehabilitation.

By 7:30am, a total of four female and around 10 male labourers, equipped with spades and baskets, had arrived at the spot.

Among them was Nazimul Haque, who has worked as a mason for the past decade. He hails from Nachole upazila in Chapainawabganj and also lives in the Agargaon slum.

"Currently, there is reduced demand for masonry. It is very difficult to find a job daily," said the 45-year-old, who is the lone breadwinner in his six-member family.

"Prices of essential commodities have constantly been on the rise, but our wages have not been increasing at the same pace. I moved here to support my family financially but that becomes difficult when I can't manage a job because my personal costs do not come to a standstill."

He added that he would usually eat meals at messes or canteens, which costs him roughly Tk 200 per day.

When contacted on Thursday night, Haque told this newspaper

that he ultimately could not manage to find any work that day.

Another regular at the labour haat is Fatema Begum, who also works as a housemaid, and is hoping to secure a better life for her two children.

"I usually earn Tk 6,000 per month as a housemaid. But it is not enough to run my family," she told The Daily Star on Thursday.

According to the Labour Force Survey 2022, of the 7 crore employed individuals in the country, around 85 percent, or about 6 crore, work in the informal sector.

She said she was living in a slum at the BNP Bazar in Agargaon. Every month she has to pay Tk 2,600 as house rent and another Tk 100 as water bill.

"I have to spend a lion's share of my income on food and education costs, including notebooks, pens, and tuition fees," she said.

If she finds work at the labour haat, she works as a labourer from 8:00am to 5:00pm before rushing to her regular duties as a housemaid in the evening.

But her luck has also been turbulent as she has found work as a labourer for only seven days this month.

"I have already taken Tk 2,000

as advance from one of the houses where I work. I bought a 25-kilogramme sack of rice alongside lentils with the money. Every day I need one kilogramme of rice, which is what my children mostly consume."

"What if there is no work? I have to eat, my kids have to be fed. Our stomachs do not sit idle," she frustratedly said. "I never allow anyone to understand my pain. I always try to work."

The price of everything is increasing, but our wages are not increasing, she added.

Like the intersection in Agargaon, many other spots in Gabtoli, Kazipara, Kallayanpur, Mirpur 10, Malibagh rail gate, Maniknagar, Jatrabari and Bashabo are home to such floating labour markets.

This correspondent spoke to at least 10 workers and heard similar stories of hardship. Most of them are unskilled workers who moved to Dhaka from different parts of the country. Often, they are silent victims of climate change, displacement, and increasing unemployment in rural areas.

"As elevated inflation has persisted over two years, it's not difficult to understand the hardships informal workers are facing," said Selim Raihan, a professor at the University of Dhaka.

Usually, people try to adjust in various ways. But there are limitations to that and options can be quickly exhausted. There are limited coping strategies for the poor.

"As a result, people can buy less, and many are forced to exhaust their savings and other options against the backdrop of high inflation," said Raihan, who is also executive director of the South Asian Network on Economic Modeling, a think-tank.

"They feel serious food insecurity which affects their living standards. Similarly, the financial situation of informal workers, notably unskilled ones, lands in a very abysmal situation as they have no guaranteed income," he added.

According to the Labour Force Survey (LFS) 2022, of the 7 crore employed individuals in the country, around 85 percent, or about 6 crore, work in the informal sector. Of total informal workers, around 88 percent are based in rural areas.

The problem is that most workers in urban areas are not under any kind of social protection programme, Raihan said.

The urban poor do not come under the government scanner. And they have no scope to avail government opportunities as they are asked to show their permanent address.

"There is no option but to bring unskilled workers, including those in urban areas, under social protection programmes," he said, mentioning the poor scope of extending labour market opportunities.

Raihan also suggested increasing the coverage of those programmes.

Addressing supply chain gaps in Bangladesh

MOHAMMAD ASHRAFUL ISLAM KHAN

In recent times, the escalation of prices in essential commodities has presented a formidable challenge for individuals with lower incomes in Bangladesh.

The surge in food prices, as cited in a World Bank report, has become a pressing concern for 71 percent of households. The government has acknowledged the issue of commodity prices, as evidenced by its notable inclusion in the recent election manifesto. The manifesto articulates the government's commitment to addressing the rising cost of goods, emphasising the imperative of aligning prices with the purchasing power of the populace.

In light of the prevailing market dynamics, it is evident that the government's efficacy in curbing inflation has been compromised. Prior to the onset of the Covid-19 pandemic, inflation in Bangladesh stood at approximately 5 percent. In the fiscal year 2022-23, the average inflation rate surged to 9.02 percent, marking the highest annualised figure in a decade.

The paramount challenge facing the new government is the imperative to rein in inflation. The prevailing market management shortcomings, coupled with the influence wielded by syndicates, are significant contributors to this predicament. Despite the acknowledgement of syndicates by policymakers, the absence of decisive actions against them remains a regrettable aspect of the current scenario.

Bangladesh has ascended to the third position globally in vegetable production, marking a remarkable transformation in its cultivation landscape. This silent revolution is attributed to the collaborative efforts of agricultural

institutes, agricultural universities, and innovative institutions, which have played a pivotal role in the development of perennial vegetable seeds and effective marketing strategies. The unwavering dedication of farmers has further propelled this positive shift, ensuring a consistent supply of various vegetables throughout the year.

Despite these strides, the current market system grapples with a critical challenge – the absence of a robust supply chain for agricultural products. This deficiency hinders the seamless flow of produce from farm to consumer, resulting in adverse implications for both farmers and end-users. The prevalence of middlemen exacerbates the issue.

In the realm of modern agricultural management, the integration of a comprehensive supply chain system holds paramount importance, as seen in developed countries. This system facilitates the direct movement of products from the production process to the end consumer, ensuring efficiency and fair pricing.

In the context of Bangladesh's agricultural landscape, the absence of such an integrated supply chain management system is conspicuous. Given the perishable nature of agricultural produce, the dearth of appropriate technologies further underscores the need for a paradigm shift in the marketing approach.

While attributing the surge in product prices to international market fluctuations was a common rationale, the current disconnect between the declining global prices and their impact on the Bangladesh market raises concerns. Analysts suggest that ineffective government policies and actions, coupled with a lack of market control, contribute to unabated food inflation. Additionally, some unscrupulous traders exploit temporary supply shortages to irrationally hike prices, defying logical explanations.

Market monitoring institutions, including the Ministry of Commerce and the Directorate of National Consumer Rights Protection exhibit weaknesses in monitoring. They need to vigilantly observe and address unreasonable inflation to ensure the integrity of the market system.

The author is a former head of supply chain advisory services at KPMG Bangladesh



China plans measures to foster economic recovery

ANN/CHINA DAILY

China will implement several measures to foster a robust economic recovery throughout this year, the country's top economic regulator said recently.

The planned measures will include acceleration of the legislative process to enact a law on promoting the development of the private sector and revision to the negative list for foreign investment access.

"The country is gearing up to take a series of practical measures to boost growth of the private sector," said Yuan Da, deputy secretary-general of the National Development and Reform Commission, at a news conference in Beijing.

"The focus will be placed on effectively addressing the challenges faced by private businesses, boosting business confidence and ensuring tangible benefits."

He said the legal and institutional arrangements will be made to ensure the equal treatment of private and State-owned enterprises. More efforts will be made to better implement the existing supportive policies and encourage more private capital to participate in the construction of major projects at the national level and projects that address weak links in the economy.

During the news conference, Liu Sushe, deputy head of the NDRC, said the country will promptly introduce policies to promote high-standard opening-up. It

will continue to revise the national version of the negative list for foreign investment access, comprehensively eliminate restrictions on foreign investment access in the manufacturing sector and expedite the introduction and implementation of comprehensive policies to attract and utilize foreign capital.

The negative list specifies the industry sectors that are off limits to foreign investors. Global businesses can operate in any sector that is not on the list.

The measures will include acceleration of the legislative process to enact a law on promoting the development of the private sector

Through a package of practical measures, such as aligning with high-standard international economic and trade rules, the NDRC will focus on addressing the difficulties and obstacles faced by foreign-funded enterprises.

The NDRC has recently launched its seventh batch of major foreign investment projects. The new batch includes 11 foreign-funded projects with a total investment of over \$15 billion, mainly in fields like biomedicine, automobile manufacturing, new energy batteries and the chemical industry, Liu said.



A customer shops inside a bakery in London. UK retail sales by volume dived 3.2 percent in December, after gaining 1.4 percent in November on Black Friday discounting.

PHOTO: AFP/FILE

UK retail sales hit lowest since 2021

AFP, London

UK retail sales last month suffered the largest drop since January 2021 when Britain was in Covid lockdown, as Christmas shoppers tightened belts in a cost-of-living crisis, data showed Friday.

Sales by volume dived 3.2 percent in December, after gaining 1.4 percent in November on Black Friday discounting, the Office for National Statistics (ONS) said in a statement.

That was far worse than expectations of a 0.5 percent decline for December, which is traditionally boosted by Christmas gift buying.

The gloomy news weighed on the pound but boosted the London stock market owing to the large number of listed multinational companies that earn in dollars.

"Following a strong November, retail sales plummeted in December with all types of outlets being hit," said Heather Bovill, deputy director for surveys and economic indicators at the ONS.

"This was the largest overall monthly fall since January 2021, when the reintroduction of pandemic restrictions knocked sales heavily."

She added that food stores in December suffered their steepest fall since May 2021, with sales dented by early Christmas shopping in November.