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Institutionalising conflicts of interest?

Questionable formation of parliamentary committees raises concerns

It is perhaps little surprise that in a parliament with a record number of businesspersons serving as MPs, standing committees on different ministries—entrusted with ensuring accountability, investigating irregularities, and reviewing legislation—would also be crawling with them. The parliament has recently formed 50 standing committees: 39 related to ministries, and 11 on various aspects of parliament. But as an analysis of the affidavits of the MPs has found, multiple members of 20 committees have businesses in sectors that they will oversee, raising fears that they might prioritise personal interests over the committee's objectives. Moreover, there are 12 committee chairmen who served as ministers and state ministers in the previous term of the government. This, experts say, could impede efforts to address past irregularities within their respective ministries.

Some of the notable names include former Foreign Minister AK Abdul Momen who chairs the committee on foreign affairs ministry, former Finance Minister AHM Mustafa Kamal who chairs the committee on finance ministry, and former Commerce Minister Tipu Munshi who chairs the committee on commerce ministry while also being a businessman. Besides Tipu Munshi, five other members of the commerce committee also own businesses. Shamim Osman, a member of the committee on labour ministry, owns a garment factory, while another member, SM Al Mamun, is involved in ship-breaking yards. Golam Kibria Tipu, a member of the committee on shipping, has several launches. Nizam Uddin Hazari, a member of the committee on expatriates' welfare ministry, is himself involved in manpower export business.

This is a clear case of conflict of interest, and seeing it take place on such a large scale is alarming indeed. In choosing these members for the committees, the parliament has not just broken the JS Rules of Procedure—which forbids the appointment of a member if their personal, financial or direct interest is linked with matters that are dealt by the committee—but also all but institutionalised conflicts of interest, undermining the very purpose of parliamentary oversight. We know from experience how this can thwart progress in vital areas of public interest. Although the chief whip has defended the inclusion of said committee members, citing their experience, their potential bias cannot be ignored. His assertion that "anyone can own a business" overlooks the fundamental principle that public office demands a higher standard of ethical conduct and transparency.

Therefore, we urge the parliament to address the credibility crisis of the newly formed committees, and reform them if possible. This is not merely a matter of procedural compliance—it is a moral imperative. The importance of these committees, if properly formed and utilised, in upholding good governance cannot be overstated.

Make all health facilities accountable

DGHS must stop unlicensed facilities from operating

The Directorate General of Health Services (DGHS), after conducting a court-mandated investigation, has found as many as 1,027 hospitals, clinics, diagnostic centres and blood banks that are operating without a valid licence. This was revealed in a report that came in response to a writ petition over the death of a five-year-old boy named Ayaan at Dhaka's United Medical College Hospital during a botched circumcision procedure.

The fact that so many facilities are illegally providing healthcare services, including surgeries, is chilling indeed. One dreads to imagine the potential implications of this situation. A healthcare centre without authorisation essentially means it is operating without any accountability. In this regard, the role of the DGHS, which is supposed to prevent this, is also alarming. The hospital where Ayaan died had also been operating without renewing its licence for about a year. When asked why it was so, a DGHS director tried to avoid responsibility by saying the hospital was not on their database, and that "a particular hospital comes under supervision only after it is registered." Are we to assume that the DGHS has no inspection mechanism for facilities failing to renew registration? If so, are all such facilities operating with zero oversight?

Unfortunately, we have been asking these questions for years, with no justifiable answers. Even more unfortunate is the fact that little to nothing has been done to rectify this appalling state of affairs. One may recall the case of Regent Hospital, which was busted in 2020 for producing fake Covid-19 test results. The media then reported that Regent had been operating without a valid licence since 2014. If there is no scope for monitoring such facilities, their level of negligence and mismanagement while dealing with ailing patients is anyone's guess.

The continuous disregard for people's safety and medical accountability that we're witnessing must stop. We urge the health authorities to do the due diligence to ensure that no unregistered facility remains unidentified or can continue operating, putting people's lives at risk. Anything that compromises public health must be addressed quickly.

LETTERS TO THE EDITOR

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Reduce metro headway

The Dhaka MRT Line-6 is quite close to operating fully. Hundreds of citizens are benefiting from this latest and arguably wondrous addition to the country's subpar public transport system. There are also others who are being introduced to the metro daily. But one thing is clear: the service needs to be faster. The easiest way to ensure this would be for the metro authorities to decrease the headway (the interval between one train and the next). This will reduce crowding and ultimately make the service more comfortable for commuters.

Nazia Mehtab
Kalshi, Dhaka

Time for exporters to shed the cocoon of cash incentives

They must prepare now to strengthen competitiveness in the post-LDC era

MACRO MIRROR

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FAHMIDA KHATUN

In a move to adapt to changing global economic dynamics, policymakers in Bangladesh recently announced significant changes to the country's cash assistance rates for various export items. The government has been providing cash support to the export sector—ranging from one percent to 20 percent—to enhance competitiveness on the international market. A January 30 circular by Bangladesh Bank adjusted these rates, setting the maximum at 15 percent and the minimum at 0.5 percent for the period between January 1 and June 30 this year. The adjustments include a reduction in cash assistance for key goods such as apparel, furniture, plastic products, software, and motorcycle shipments. Only businesses with specific types of export items—such as diversified jute products, vegetables, fruits, agro-processing, potatoes, and halal meat and processed meat—will get the new highest rate of 15 percent.

The changes have been met with resistance from exporters, who argue that these adjustments may diminish their ability to compete effectively in the global market, particularly due to a substantial increase in shipment costs. The concerns raised by exporters shed light on the challenges they foresee in maintaining their market share and profitability under the new incentive structure. Particularly the apparel sector, which is the major contributor to the foreign exchange reserves of Bangladesh, is said to be most affected by the move.

Despite such concerns, the adjustments are imperative as Bangladesh prepares to graduate from the least developed country (LDC) status in 2026, when continuing subsidies and incentives will not be an option anymore. Based on this, if the government has taken the move to gradually decrease direct cash assistance, then it is praiseworthy. However, the adjustments could also be due to the reduced fiscal space being experienced by the government recently. In the budget for the 2023-24 fiscal year, the government mentioned continuing the cash incentive for exporters till June 2024. However, six months after the budget announcement, this sudden measure of reducing cash support has given rise to some practical problems for exporters. Hence, they apprehend loss of business as their costs and revenue have relied on the incentive package delineated in the budget document.

While exporters' reasoning is sensible, they also have to be prepared for the coming days when Bangladesh will have to comply with the rules of the World Trade Organization (WTO) and cease providing cash incentives. They have been receiving incentives for a long period and, by now, many industries (including the apparel sector) have matured. Of course, special support could be provided to these businesses during economic predicaments, but not for an indefinite period—which has been the case so far.

In light of the upcoming graduation, exporters need to proactively prepare for changes. They need to diversify exports, produce high-value products, and explore new markets. This preparation is crucial in order for them to maintain their competitiveness and seize emerging opportunities in the evolving global economic landscape.

Given the difficulties faced by exporters due to the recent adjustments, the government could facilitate competitiveness in other ways besides financial incentives. This could include creating a conducive business environment, improving ease of doing business, and removing institutional bottlenecks so that the operating costs of business are reduced.

Meanwhile, given the fiscal constraints, the funds allocated for export incentives could be redirected to other critical sectors such as social safety net programmes, health, and education, thus contributing to overall economic development. This reallocation of resources will also enhance the country's resilience and help us achieve sustainable economic growth.

Instead of an abrupt withdrawal upon graduation, the government has opted for a gradual reduction of direct cash assistance. This strategic approach aims to provide a smoother transition for the export sector, allowing for adaptation and proactive measures to sustain competitiveness. However, the preparation for LDC graduation should also consider other measures such as tariff rationalisation.

In August 2023, the government made important policy changes in the new National Tariff Policy 2023 keeping in mind the upcoming LDC graduation. At the import stage, a variety of tariff types, including customs duty, regulatory duty, supplementary duty, value-added tax, advanced tax, and advanced income tax, are enforced. The average tariff protection rate was 30.58 percent in FY 2022-23 and the average import tariff rate in Bangladesh was 15.04 percent in FY 2023-24. These high tariffs are major sources of revenue, particularly when the tax as a percentage of GDP remains low. In FY 2022-23, this was only 8.2 percent against the target of 9.8 percent outlined in the FY 2022-23 budget. The other objective of high tariffs is to insulate local industries against global competition. Currently, local enterprises enjoy significant protection thanks to elevated import tariffs.

The government receives a substantial amount of its revenue from import duties imposed on raw materials, intermediate goods, and consumer goods. However, with tariff rationalisation, it will have to relinquish this income and decrease the reliance on import duties. Therefore, the new tariff policy underscores the imperative to intensify efforts towards domestic revenue collection.

VISUAL: **TEENI AND TUNI**

It is urgent for local industries to prepare themselves to face global competitiveness. The reduction in import costs for capital machinery and intermediate goods can help, as the overall production costs will be lower. This will enable local industries to keep offering competitive pricing to consumers, leading to increased sales and revenue. The potential loss of tariff advantage can be offset by lower import costs. Therefore, tariff rationalisation can emerge as a facilitator for entrepreneurs to engage in export activities at a more competitive price. Plus, tariff rationalisation is also crucial to encourage export diversification. Currently, our export basket is much too narrow, with the apparel sector being the highest contributor.

It is important to protect local industries when they are starting out, but some Bangladeshi industries have been getting tax breaks and benefits for too long now. This is causing problems as some industries get special treatment while others do not. The national budget for FY 2024-25 must outline a clear pathway regarding such incentives for all industries since there will be very little time to prepare for the 2026 graduation by then.

The magic of Tangail taant

Raffat Binte Rashid
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RAFFAT BINTE RASHID

My first saree was a green one with hot pink borders, or *paar*, woven in traditional Tangail motifs. I clearly remember it because the green somewhat reminded me of lush paddy fields. It'd been bought from the famous Tangail Saree Kutir on Dhaka's Bailey Road and was a gift from my uncle for plucking out his grey hair; a common chore one ran for the elderly during our childhood, especially in a joint family.

At 14, I did not know that I would eventually end up as the editor of a lifestyle magazine which would, in turn, introduce me to celebrated Tangail saree weavers like the Basaks and legendary personalities like Muneera Emdad of Tangail Saree Kutir.

Of course, India's GI claim that the Tangail saree originated in West Bengal got me thinking. The claim, as ridiculous as it is, has nonetheless been made. A geographical indication (GI) is a country's ownership or claiming of the intellectual property of a particular product. Albeit a little late, the Department of Patents, Designs and Trademarks (DPDT) under the Ministry of Industries has recognised the Tangail saree as a product of Bangladesh after India's claim.

It is for people like Muneera Emdad that this beautiful, lightweight cotton or half-silk saree in butidar, fita paar, and many other designs and vibrant colour contrasts are so popular among women in Bangladesh.

Weavers like Sushil Kumar Basak are iconic and have made significant contributions to making *taant* sarees fashionable. The Basaks have been involved in the *taant* handloom trade for generations. In fact, Sushil is a third-generation artisan involved in the trade.

Many years ago, I went to Sushil Basak's house in Tangail where weavers were at work on the loom. Basak had a small *gaddi* (or showroom) from where he sold the sarees. Later, he renovated and turned the *gaddi* into a shop.

I remember a conversation I'd had with Sushil Basak at his *gaddi*—there was a part of the Basak clan who had settled in West Bengal during the 1947 partition and later also during our War of Independence in 1971. They began their trade as weavers and made *taant* sarees. In fond remembrance of their ancestral home, they named these "Tangail sarees."

The motifs used by the Basaks living in India were predominantly figurines while the designs by the Basaks in Bangladesh are primarily inspired by nature. The diversity in motifs is clearly a result of cultural and religious differences.

To buy West Bengali *taant*, I once went to a Basak store in Kolkata. The wooden, three-storied store had Indian *taant* on display, featuring "Tangail motifs." They certainly had a different look from what we are familiar with as being Tangail sarees.

Another memory I have is of my Tangail saree haat experience, a public auction that takes place only twice a week in Bazitpur and Karatia. The auction begins at the crack of dawn. Traders and middlemen come to the bazaars to purchase sarees. While truckloads of the fabric head to Dhaka and other cities, the wholesale auction always has a few customers (like me) who enjoy the fervent bidding and fancy obtaining exclusive sarees, fresh from the looms!

In the early '80s, up till the '90s, Tangail sarees were worn by women at home, work, schools, and banks. Holud festivities meant that saffron Tangail sarees would be worn by the bridesmaids. The celebrated yellow saree, with a vermillion red border, was worn by all and added a beautiful golden aura to the evening programmes. Unfortunately, these beautiful yellow *taant* have now disappeared from the wedding scene.

There was also a time when ladies used to go to the Basak warehouse and buy sarees in bulk. No doubt, these sarees exude an unavoidable pull, as Tangail *taant* speaks of romance or riches, of sobriety or gaiety, of sophistication or innocence.

It is said that a saree rarely fails to flatter a woman or make her feel feminine. The quintessential impression created by a cotton saree starched in *aap* (a silver shimmer used when starching or washing a saree; another practice quite lost today), with *beliphool* in one's braid is that of a sheer enchantment and one that is Bangalee through and through.

So, here's to losing oneself in the sensuous sorcery of the pure, deshi *taant* saree and claiming what is truly ours.

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