

## Why are food prices still rising?

### Govt should match its concern about inflation with action

A home ministry report has confirmed what we have been saying in this column for some time now—that even though there is currently no supply shortage in the country, a section of unscrupulous importers and traders are creating an artificial crisis and increasing the prices of essentials. This trend of raising prices, the report warned, may have an adverse impact during Ramadan—when prices are typically hiked almost every year anyway, using different excuses. With food and the overall inflation already at near record levels, and with traders raising food prices again already before Ramadan, how will the general public manage once the month of fasting arrives and prices are increased again?

According to an earlier World Bank report, published in December last year, rising food prices have become a concern for 71 percent of families in Bangladesh. That number will only continue to soar given the current trend. If we compare the current prices of some basic items such as sugar, chickpeas, coarse rice, dates and local onions with what their prices were a year ago, we can clearly see that the price of every single one of them has gone up substantially—with the price of some items even doubling. Analysing the opening of the Letters of Credit (LCs) of various products from July to December 2022 and 2023, the home ministry report said fewer LCs were opened for items such as soybean oil, palm oil, sugar, lentils, chickpeas and dates compared to the previous year. However, that rate increased this January, centring the month of Ramadan. As such, if the LC goods are offloaded at the right time, there should be “no supply shortage,” it said.

So, the recent price hike can only be attributable to the dishonest activities of traders and importers, which play a big role in the price hikes of goods, primarily due to scare competition in the import market. This situation did not occur overnight. The fact that the government has been unable to make any inroads into increasing competition—and thereby reducing the collusive power of syndicates—is extremely disappointing and is one of the main reasons for people’s sufferings.

Some traders have also alleged that extortion in transporting goods is another reason for high prices. The fact that this problem, too, has persisted for years points to another massive government failure. The home ministry report gave a number of recommendations such as involving more importers in the import process to prevent syndication among certain business groups, removing complexities related to opening LCs, etc, all of which we have mentioned before. It is time for the government to seriously implement these solutions and bring an end to such unjustified price hikes.

## Renewable energy still neglected

### Govt mustn’t keep depending on fossil fuel power plants

Despite the government’s pledge to transition to renewable energy, its actions speak otherwise, as after failing to hit multiple energy targets, we are still heavily dependent on fossil fuels to generate electricity. Aside from intensifying the effects of climate change, this practice has also contributed to our economic crisis. The Centre for Policy Dialogue (CPD) on Wednesday urged for the phasing out of fossil fuel-based power plants. We wholeheartedly stand by this call.

According to the CPD, our overwhelming reliance on imported fuel is contributing to a persistent energy crisis, which is hampering power generation and affecting other sectors. Accordingly, it questioned why the government is so hellbent on importing liquefied natural gas (LNG) when it knows the potentials of our gas reserves, which, according to an expert, are among the least explored in the world. Reportedly, Bangladesh Petroleum Corporation and Petrobangla are struggling to pay an outstanding bill of \$700 million to global suppliers. Suffice to say, if we continue in this manner, our debt burden will keep getting heavier.

What’s more perplexing is that the government, despite knowing the demand for power would not increase as per the projections, kept pushing for increasing the generation capacity, that too through the use of fossil fuel. And now, the country’s power generation capacity from renewable sources stands at a measly four percent of the total. It’s anyone’s guess as to why the government is not focusing on renewable energy, as it is possible to produce around 3,000 MW of electricity from renewable sources with the current structure, according to an expert.

Bangladesh ranks the lowest among all the South Asian countries in terms of using renewable energy, which points to just how much the government has neglected this sector. This cannot continue. To resolve our current economic crisis and move towards a sustainable future, we have to prioritise renewable energy. As part of short-term measures, CPD has advised abolishing the Quick Enhancement of Electricity and Energy Supply (Special Provision) Act, 2010, which has been incentivising our practices. Through such actions, coupled with good governance, we hope to one day abandon our dependence on fossil fuels.

## LETTERS TO THE EDITOR

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### Open wire over metro

The Dhaka metro rail, the most advanced public transport system in the country, has a major safety issue: the open wire that run over the line. We have already witnessed multiple instances where objects, like kites, got stuck in the wire and the metro services had to be halted. Considering Dhaka’s population density, cultural practices, and weather (it’s not unlikely that objects will be blown over to the MRT line during *Kalboishakhi* storms). This is a serious design flaw. I urge the authorities to promptly come up with a solution to prevent any further hindrances or accidents.

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# The contradiction between economic policy and practices



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HOSSAIN ZILLUR RAHMAN

What exactly is the political leadership’s priority in terms of policy management of this country’s economy? How much can declared policy intentions—as evident in published documents—be taken at face value when simultaneous administrative and political steps signal different intentions? The central bank announces a contractionary monetary policy and floats the idea of banking sector reforms. At the same time, we see patently coerced administrative steps of the largest nationalised commercial bank injecting a large amount of liquidity into a much-troubled private bank close to the power centre. The ostensible purpose is to safeguard some financial institutions in crisis, but the proof is in the pudding. Has the short-term promissory note in this particular instance been redeemed on time?

In today’s Bangladesh, straightforward economic analyses no longer appear to suffice to understand the policy approach being pursued by the political leadership in the management of the economy. A decoding approach combining the lenses of political economy and political sociology may perhaps provide a more realistic understanding. From such an approach, it seems the actual operation of policy leadership in the management of the economy is being shaped by three components.

Notwithstanding expectations from a “new” government, it does appear that the politico-policy leadership is firmly set on a “business-as-usual” economic and sectoral policy, prioritising the status quo while unwilling to adopt and, more importantly, implement deep-seated urgent reforms. As before, in a business-as-usual scenario, there may also be some new initiatives on the margin.

However, while the dominant policy



VISUAL: REHNUMA PROSHOON

trend is for the business-as-usual scenario, the policy leadership also appears to be politically sensitive to averting a total breakdown, should the economic crisis show signs of getting totally out of hand. The handling of the foreign exchange reserve crisis last year and the dollar crisis this year underscore what types of red lines are real policy concerns. Last year, in the face of plummeting forex reserves and economic meltdown, drastic measures were indeed taken essentially to impose a near-total freeze on imports and thereby “protect” the dwindling reserves. This year’s decision to stop cash incentives for exports has more to do with the lack of dollars than a strong policy stance—though there may be some unintended beneficial outcomes of fostering competitiveness on the

breakdown. In such situations, the leadership overlooks stakeholder protests, like those from importers, accepting consequences like negative economic growth. This prioritisation of immediate crisis management can be perceived as extreme short-termism, lacking a long-term strategy and solely focused on managing immediate crises.

But there is also a third component to take note of. Early indications post-“election” show crony promotion and protection as a firm pillar of “economic policy in operation.” The terms vary—cronies, vested groups, politically connected quarters—but the underlying reality is one in which favoured economic actors are given grossly undue benefits flouting rules and even declared policies of the government. These

catastrophic crisis, the business-as-usual approach serves to protect crony interests above all.

In the face of deep-seated economic challenges, the policy approach so far appears firmly set on maintaining business as usual, which supports crony protection on the one hand and brinkmanship policy-making on the other if the economic crisis shows signs of graduating to a total breakdown. The amazing part of this story is that, even in such a dire policy reality, there is no lack of trying by the multitudes of economic actors at macro, meso and micro levels. It is such a tragedy that this indomitable spirit is failing to find the traction in the corridors of power that could propel Bangladesh towards a more inclusive and dynamic economic future.

## ‘Will you be my Valentine?’ and other expensive offers



OF MAGIC & MADNESS

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BADIUZZAMAN BAY

In matters of the heart, some problems are uniquely Bangladeshi.

Imagine a group of boys holding a protest with a banner that reads “*Keo pabe, keo pabe na, ta hobe na, ta hobe na*” (Everyone should be able to have it, or no one should). What do you think they are talking about? The name of the group is self-explanatory—*Prem Bonchito Shangho* or Society of the Love-Deprived—so guess what they went all socialist on in this particular instance. The incident happened on February 14 last year. I remember the video clip that surfaced then, with these young men, all students at the chemistry department of Dhaka University, seeking what they called a “fair distribution of love.” The apparent lack of chemistry in their life led them to demand parity from the fairer sex on that Valentine’s Day.

I would not be surprised if similar things happened this year, too. I know a guy who, not long ago, was a member of a Ruet-based fraternity called *Chirokumar Shangho*, or Society of the Lifelong Single, which celebrates the rejection of any romantic entanglement. Today, he is happily married, or as his then-peers would call him, a deserter. At Jahangirnagar University, a colleague tells me, there is a group called One-Sided Lovers’ Association (OSLA).

These clubs—where love, longing, and loathing converge in a unique symphony of emotions—are not meant to be taken seriously. Members bemoan the concept of relationships, or indulge in pseudo-intellectual

red herrings about the enigma of a woman’s heart, or take fake vows of celibacy. Regardless of whether they are secretly pining for a girlfriend or trying to get over an ex, what’s on offer here is a chance to vent collectively. In most cases, the public display is not meant to hurt but to amuse, whether you see the point of it or not. As “love-hating” exercises go, it is far better than the Indian case where far-right Hindu groups in recent years raided shops, burned cards and gifts, and chased hand-holding couples out of restaurants and parks, claiming that Valentine’s Day is promoting promiscuity.

If you find yourself troubled by the cosmic significance ascribed to an earthly event like Valentine’s Day—or if you have no one to tell “Will you be my Valentine?”—Henry Miller has a suggestion for you. He said the best way to get over a woman is to turn her into literature. The Bangla equivalent of this wisdom would be, “*Chheka na khele kobita hoi na*” (Rejection is the bedrock of poetry). This seems to work for a vast number of people dealing with doomed or unrequited love. Who, after all, didn’t try *maan-obhimaan*-type poems in their early life?

I tried it once, too. I am not the guy you usually turn to for a sermon on modern-day love or relationships, but rather for a cynical spin on it. So out came a deceptively uplifting oped piece titled “Love and a survivor’s guilt.” It was never published. There was also a sparsely-written haiku that no one bothered reading:

*Rickshaw date  
Hood pulled over  
She shifts awkwardly.*

The point is, whether it is Happy Valentine or Sad Valentine for you, this occasion has had decades of reinforcement to get to where it is today, and by the looks of it, it is not going anywhere anytime soon. But those having Valentine blues, as is customary for many on this day, may derive some satisfaction from the fact that celebrating it today has become

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more expensive than ever before. This goes for all forms of romantic associations and accessories, from store-bought bouquets to restaurant dates to leisurely, hair-in-the-air commutes to the gifts you buy or the clothes you wear. And yes, weddings too, if we are looking at the end result. Nothing comes cheap or, increasingly lately, untaxed.

Let us focus on that last item on offer: weddings. As if to welcome the triple coincidence this year of Valentine’s Day, Pahela Phalgun and Saraswati Pujā—all celebrating love, companionship and new beginnings—or perhaps to keep the more amorous of men under control, the Dhaka South City Corporation (DSCC) has recently introduced marriage registration taxes. So, individuals are required to pay Tk 100 for the first marriage. In case of a second marriage with the first wife alive, the fee is set at Tk 5,000. A third marriage, with two wives alive, requires a fee of Tk 20,000, while a fourth marriage with three wives alive will cost Tk 50,000 in taxes!

But let us not indulge in extremes. The Tk 100 tax for the average guy may not seem much, but it symbolises the ever-growing list of expenses for couples, weddings or not. Adding to that list is a proposal, made just before the Valentine’s Day, by the Institute of Cost and Management Accountants of Bangladesh (ICMAB) to impose a Tk 50 tax per guest for social events (including weddings and parties) that host more than 100 guests and are organised outside one’s houses. If approved by the government, this will be in effect from the upcoming fiscal year. This is in addition to all the extra costs that go into renting venues, food, decorations, and so on.

This is what romantic occasions have come to be in this age of cost escalations. It is as if the universe is signalling for us to change the proposal mantra to, “Will you marry me, or be my Valentine, and not cause a shit-ton of money to go down the drain?”

But love and romantic entanglements still thrive on. Valentine blues still find new ways of expressions. I have nothing against either. Emotion may drive motion. But in the end, love, platonic or not, is a personal matter, and it should remain so regardless of how it comes out on February 14 and in the days that follow.