

Another failed attempt to tame prices

Govt must deal with underlying reasons for continued inflation

It is disappointing to see that despite the government capping the prices of 29 food items over a week ago, traders are reportedly still selling 26 of those at higher rates. Out of the items, only eggs, Katla fish and onions are being sold at prices set by the Department of Agricultural Marketing. But Sonali chicken, whose price has been fixed at Tk 262 a kg, is being sold at Tk 320-330. Different varieties of pulses, including red lentils, are being sold at Tk 5-35 more than their fixed rates. The prices of cabbage, cauliflower, bean, brinjal, green chilli, tomatoes and pumpkin, despite falling by Tk 5-20 a kg last week, are still sold above the capped prices.

What is the point of setting prices if they are not enforced? According to shopkeepers at different kitchen markets in Dhaka, they cannot run their business if they abide by the price cap. An owner of a grocery store at Karwan Bazar said that government officials were visiting the markets only occasionally, indicating lax monitoring. So, other than fixing some prices, what steps have the government really taken to contain them? And why aren't consumers benefitting from any of them? This price cap strategy clearly doesn't work, and after several failed attempts in the past, the government should have known better. Why does it still do it then? Is it just an eyewash in the face of public outcry? Whatever it is, people, especially the poor and fixed-income groups, are struggling to make ends meet due to the runaway inflation.

Some of the reasons for prices in Bangladesh remaining abnormally high, while going down in other comparable countries, are well-known. Market manipulation by syndicates is one of them. Yet, year after year, the government has failed to identify those involved in these syndicates or make their names public or punish them, perhaps because they are connected to influential quarters. The involvement of middlemen—in the absence of effective supply chain systems—also results in prices shooting up from the point of production to consumption. Extortion during transporting goods is another huge problem which the government should have been able to fix by now. These problems continue to persist, benefitting a few at the expense of ordinary consumers.

The government's initiative to sell some subsidised items via the state-run TCB outlets has not been sufficient enough to bring relief for the poor or make any meaningful dent in regular market prices. Therefore, it is imperative to address the underlying issues that are keeping the market unstable and prices high. People are clearly running out of patience and also the means to afford more government failures.

Good Samaritans exemplify the spirit of Ramadan

Every community should work this way

With food prices reaching unbearable heights during the Ramadan, it is heartwarming to learn of endeavours by ordinary citizens to help those who cannot afford even basic food items for iftar. A recent multimedia report by this paper tells the story of 12 friends who have been providing iftar at Tk 1 per item, whatever it may be. The iftar is sold from Iqbal Hotel in Daluapur, Khulna, a small diner owned by one of the friends who started this effort around 18 years ago. Eleven others, who have their own jobs or small businesses, later joined hands with him. Their goal is to provide iftar for the underprivileged at the lowest possible price, and this is what they are doing.

Since before the start of the holy month, we have regularly commented on how the prices of daily essentials and ingredients required for traditional iftar items have soared drastically, making it difficult for the lower-income groups to afford items to break their fasts with. What is most interesting and inspiring about the above story is that this group of Good Samaritans includes individuals of other faiths as well, giving an example of tolerance and harmony among people from diverse communities. Giving whatever time they can spare after work, and pooling their own funds, they seem to find great pleasure in working for those in need. There have been reports of other individuals in various parts of the country who have been taking such laudable initiatives.

While the government has the primary obligation to keep food prices affordable for the general people, society as a whole has a responsibility to take care of its own. Altruism within the community is essential during times of crises, and we have seen its manifestation the most during the Covid pandemic. In those difficult days, it was the charitable donations and gestures—whether in cash or kind—that helped thousands of people to stay afloat. Even now, many charitable organisations and individuals quietly work to help the poor in whatever way they can. For the 12 men from Daulatpur, serving humanity is their goal. The society and government should acknowledge such noble examples to inspire others. A society where members take care of each other in times of need is one that is resilient and destined to flourish in every way.

Corrigendum

In an article titled "We want harassment-free campuses" published on this page on March 23, 2024, we mistakenly wrote "Department of Film and Television Studies at Jahangirnagar University (JnU)" which should have been "Department of Film and Television Studies at Jagannath University (JnU)". We sincerely apologise for this error.



OPEN SKY
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BIRUPAKSHA PAUL

Bangladesh Bank deserves credit for forging the deal of signing the MoU between EXIM Bank and Padma Bank on March 18. Usually, the central bank does not undertake the responsibility of bringing two banks together and telling the worse-off bank to disappear into the domain of the better one for good. But Bangladesh's case is unique, as all oligarchs and politically empowered tycoons always keep opening up new banks to finance their business conglomerates. Hence, forcing a bank to sink into another one is akin to making a family-based dynasty withdraw its clout from the market, and is hence a tough task. BB has had the guts to make it happen—or to at least start a bitter journey of consolidation for the sake of a better banking environment. This merits big applause and appreciation.

But the event has aroused a few questions. What would be the correct name for this deal in financial parlance since using the word "merger" does not seem appropriate? Will the central bank punish the wrongdoers who emptied Padma Bank in the first

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place, and forced the government into a banking meltdown? How will BB frame a policy support package especially designed for bidding banks? And finally, what challenges will the banking industry face in the years to come, since some experts anticipate financial sector instability?

BB defines the event of March 18

EXIM-PADMA BANK 'MERGER'

Turning rotten apples into fresh oranges?

Otherwise, habitual defaulters may celebrate the day as one signalling wholesale impunity and legitimacy of the damage they had done to the industry by plundering various banks. Some analysts are placing this deal as a stratagem to hide the black holes and genuine culprits. BB must define its stance as a corrective measure for banking irregularities, not as

story compared to Microsoft's acquisition of Nokia. In 2000, American Online Inc (AOL) acquired Time Warner in an instance of a hostile takeover. A recent example of a hostile takeover was that of Twitter by Elon Musk in 2022. But none of these deals resemble the case of what EXIM Bank has done for Padma Bank. Rather, the market sees it as a rescue effort



EXIM Bank's chair termed it a merger or an acquisition, and sometimes a takeover, even though these mean different things in the financial world.

PHOTO: STAR

as an "Amalgamation of Padma Bank with EXIM Bank through Merger" in the banner hung at the MoU signing ceremony. However, EXIM Bank's chair termed it a merger or an acquisition, and sometimes a takeover, even though these mean different things in the financial world. The EXIM Bank chair assured us that he'd acted upon his board's initiative. He did not act under any pressure from the government, which had conveyed the proposal to absorb the ailing Padma Bank. Chairman Nazrul Islam Mazumder found it wise to accept the offer to ameliorate the ongoing donyodsha (state of affairs) or the poor condition of Bangladesh's economy.

The appearance of the EXIM chair as a real messiah of the beleaguered economy raises the question of who caused this donyodsha in the first place. The entire deal has no mention of punishing the fund looters who'd brought eight other banks into the red zone as well. The list of big defaulters who dumped Padma Bank on the street should have been made public before such a MoU was agreed upon.

a cunning ploy to deliver shadow impunity to the wrongdoings of bank directors and staff, as well as those of loan defaulters.

I still remember the fantastic analogies my instructor for the mergers and acquisitions course used when I was an MBA student in Australia. He defined the act of merging as an affair-driven marriage between two adults, and acquisition is a situation where the prince chooses to marry a girl who is not interested in getting married to him. Eventually, the prince manages to marry the girl. Meanwhile, a "takeover" is when the hero hijacks the heroine and weds her quite forcibly. In a merger, companies of a similar genre integrate to expand their market share and enjoy the benefits of constructive collaboration or synergy, which claims that two-plus-two will be greater than four.

US-based oil companies Exxon and Mobil made a merger in 1999 and formed the largest company by market capitalisation, ExxonMobil, at the time. In 2005, Google acquired Android, which turned into a success

for EXIM Bank for the desolate Padma Bank, orchestrated by the central bank. Arguably, it happened under a negotiation that will provide massive comfort to EXIM Bank, which itself is already floundering in the yellow zone.

Analysts predict that EXIM Bank, as a caretaker of the deteriorating Padma Bank, is likely to earn extra benefits for capital requirements, loan provisioning, cash reserve ratio, statutory liquidity ratio, and even foreign exchanges from the central bank. BB did not clarify what extra benefits it will deliver to EXIM Bank or other rescuers, which creates space for speculation. Questions of ethics also come up as to why the bidding banks can earn extra benefits exclusively while others will be deprived of them just because they did not want to absorb a rotten apple. Some banks, or any third party, may hit the courts to fend off legal discrepancies prevailing in the banking sector. This would be a big hurdle for the central bank in finishing its marathon of converting rotten apples into fresh oranges within a year or so.

The case for child-friendly infrastructure



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LAILA KHONDKAR

At the Logan International Airport in Boston, US there are a few play zones for children. Popular characters from children's literature are painted on the walls, along with a few quotes from books as well as introductions to the authors and illustrators. Children's literature in Bangla itself is quite rich. Could we not implement similar initiatives in our airports or other public places which are visited by children? This would familiarise them with the books and ignite their interest in reading the stories, which will boost their imagination and help their overall development.

Many decision-makers conduct a cost-and-benefit analysis of any idea before doing anything else. But, in most cases, money has nothing to do with making spaces child-friendly. At many hospitals in Dhaka, paediatricians work in a particular section of the building. Instead of keeping the news channel on display, alongside distressing images of conflict, could these televisions in children's spaces not show children's programmes instead?

Child-friendly infrastructure, design, and services require little to no cost if we only care to look at things through the eyes of a child.

The decision of a restaurant owner to stock separate chairs and food items for children is enough to cater to the needs of the youngest members of our society in a public space. If there are paper and colour pencils or puzzles for children to solve, they can have a fun time while waiting for food while also getting positive stimuli for their development. These facilities should be present not only in restaurants but in all spaces where children have to wait to receive services.

In several art galleries in Europe, for instance, I found easy-to-understand descriptions of artworks displayed at a height that is low enough for them to read. Can't we do the same in Bangladesh? More importantly, there should be play areas for children and breastfeeding corners for mothers at bus and railway stations, as well as in airports. Out of the five sinks in a public place, it would be easy and inexpensive to design one sink at a height that children could reach.

Similarly, when organising an event at home or preparing food for a festival, we need to keep children's needs and preferences in mind. Once we realise that infrastructures and services will be used by children as well, the world can be made more accessible

for them within existing budgets and capabilities. Even when resources are required, an organisation should be able to manage that if responding to children's needs is a priority.

In terms of making a city child-friendly, the initiative Urban95 by Bernard van Leer Foundation is a good example. The average height of three-year-old children is 95cm, so Urban95 is working globally regarding the kind of changes needed in designing a city from the 95 cm tall perspective of a child. From Albania's Tirana to Colombia's Bogota, cities are taking steps by keeping children's needs in mind. Ciudad Bolivar is one of the poorest places in Bogota, with a very high crime rate. As such, the local inhabitants are trying to protect children by identifying the areas that pose the highest risk for them.

Taking children's safety into account when building infrastructure, restoring urban greenery, putting emphasis on children's play and creative activities, and making society safer for children are essential. In urban planning, it is important to listen to the voices of children belonging to different age groups and include them in the design process as this will make our cities more liveable for children. Of course, higher awareness and skills to create child-friendly infrastructure, designs, and services should be a part of the curriculum for urban planners, architects, and designers.

Some time ago, I had the opportunity to visit the Perkins School for the Blind in Massachusetts, US. I saw a playground that seemed to have been made for everyone. At one end, there were tables with benches on each side. There was also a dedicated

space for children in wheelchairs. The design of the playground had to only be slightly adjusted to ensure that children with disabilities could take part in various sports and games.

I also spoke with some factory workers and volunteers who manufacture various kinds of furniture for children with disabilities about the universal design. They told me how they adapt the design keeping in mind the special needs of each child. The chair a child will sit on and the table where they will study or make art will vary depending on their age and the nature of their disability. With adaptive furniture, these children have better control over their lives and can live with dignity. Such initiatives should be taken for children with disabilities in Bangladesh as well.

Pakistani economist Mahbub ul Haq once made an important observation: "A society does not have to be rich to afford democracy. A family does not have to be wealthy to respect the rights of each member. A nation does not have to be affluent to treat women and men equally. Valuable social and cultural traditions can be—and are—maintained at all levels of income."

We like to say that children are the future of the nation. But are we carrying out our responsibilities to make their lives meaningful? It is quite common to see children's playgrounds being taken over by commercial fairs or other purposes. But children must be given priority in all plans. Each of us should work from our respective positions to create a child-friendly society. Only this can ensure that children will grow up to realise their potential to the fullest and in turn contribute to building the nation.