

The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

Must our migrants pay the price every time?

The govt cannot treat our remittance warriors with such apathy

The level of apathy demonstrated towards our migrant workers—on the backs of whose remittances our economy is built—by the government is abhorring. Over 16,000 migrant workers failed to reach Malaysia before the deadline of May 31, as mismanagement by government authorities and local recruiting agents made their departure impossible. In early March, Malaysia announced that it would be closing its doors on aspiring Bangladeshi migrants—along with workers from 13 other countries—because of anomalies in the worker recruitment process. The government had pledged to address such anomalies when Malaysia resumed hiring Bangladeshis—after a four-year hiatus—in August 2022 and had even signed a memorandum of understanding (MoU) to that effect.

The government, however, failed to keep its promise and migrant workers, who were supposed to spend no more than Tk 78,990 for the whole process, had to spend around Tk 5 lakh on average. The reason for this, according to industry insiders and researchers, is that a syndicate of 100 Bangladeshi recruitment agents, who were selected by the Malaysian authorities, created a monopoly-like situation, which ensured workers had no other way of getting to Malaysia without spending hefty sums. It has been further alleged that several members of the Bangladesh parliament, their relatives and political leaders are beneficiaries of the clique, and even the Bangladesh High Commission in Malaysia get a cut. These are extremely serious allegations that demand immediate investigations.

On top of failing to address such serious corruption, the Bangladesh government has been so lackadaisical in its response to Malaysia's deadline that hundreds of migrant workers had to wait for hours at the Hazrat Shahjalal International Airport to catch flights, only to return home devastated. Many aspiring workers had gone to the airport without tickets after receiving assurances from local recruiters—no doubt, having paid hefty sums—that they would be given tickets on time. Following this massive debacle, the state minister for welfare and overseas employment said the government would look into the incident and take action against those responsible. But why hasn't the government investigated and punished anyone responsible for the mismanagement and corruption that has been ongoing in regards to labour migration to Malaysia over the years? And given its woeful track record, can anyone believe the government will do so now? And as for the migrants who failed to leave as a result of the government's mismanagement this time, who will compensate them for their sufferings and expenses?

The amount of corruption and mismanagement plaguing the entire labour migration process clearly indicates that it goes up to the highest levels of our government. And it is indefensible that our hard-working migrants are having to pay the ultimate price. We have said this repeatedly, and we will say it again: the government must investigate all of the allegations thoroughly and hold those responsible to account.

To be born poor and a woman!

The govt needs to do more to protect the marginalised

There is no doubt that we, as a nation, have failed to protect our women and children, as evident by the statistics on rape, murder and other gender-based violence in this country. The magnitude of women's vulnerability once again came to the fore through a recent report in our daily. A woman in Kurigram died by suicide after loan sharks repeatedly gang-raped her over a period of two months, because she failed to repay a loan of Tk 20,000.

That such an incident could take place in a country that boasts of economic growth with a per capita income of \$2,650 (approximately Tk 3 lakh) and where loan defaulters, who owe crores of taka, go scot-free, feels like a cruel irony. It is obvious that the fruits of our so-called economic progress did not reach this woman and her family. But what really sealed her fate was her identity as a woman in a country where toxic masculinity reigns supreme and impunity for gender-based violence is commonplace. Consequently, the perpetrators used rape as a weapon to "punish" not just her but her husband, who also ingested poison but survived.

We need to take a long hard look at the nation we have become—one without equity, justice or hope for the poor and vulnerable. All our proud proclamations of economic development and women's empowerment ring hollow against the horrific injustices suffered by the victim. The government must rethink its current priorities; after all, what's the point of development if it is going to leave so many behind? What does it say about our justice system that a woman would rather take her life than seek redress?

We cannot allow this tragedy to become another statistic. The criminals in this particular case must be brought to book quickly and meted out exemplary punishment so that no one dares to commit such crimes again.

THIS DAY IN HISTORY



Tiananmen Square massacre

On this day in 1989, the Chinese government called in the military to put down a pro-democracy demonstration carried out by more than 100,000 people in Tiananmen Square in Beijing, resulting in hundreds of deaths.

FY25 budget should focus on the right priorities



Dr Sayema Haque Bidisha is professor at the Department of Economics of the University of Dhaka. She is also a research director at the South Asian Network on Economic Modeling (SANEM).

SAYEMA HAQUE BIDISHA

The national budget of FY2024-25 is set to be announced at a time when Bangladesh's economy is going through a difficult phase, facing high inflation and declining foreign exchange reserves. These challenges have partially been attributed to the falling value of the taka against the US dollar and a declining trend in remittance earnings and modest export inflows. While analysing the challenges of the upcoming budget, there are certain long-standing issues that need to be addressed—namely sluggish private investment, increased debt burden, dismal revenue mobilisation, inefficient implementation of development projects, lack of effective governance in the financial sector, etc. Resource allocation of the budget must also address the fundamental issues of reducing poverty particularly in the face of high inflation, managing rising inequality, sustaining growth, and generating employment. Though Bangladesh's budget structure is shaped on the basis of medium-term budgetary framework (MTBF), a certain degree of adjustment based on the short-term priorities are feasible too.

The most important task for the upcoming budget is to determine the priorities and manage resource allocations accordingly. The top priority must be bringing the inflation rate down to a tolerable level, instead of focusing on accelerating growth or ambitious and costly large-scale investment programmes. In April this year, the point-to-point inflation rate was as high as 9.74 percent, which put not only the low-income but also the middle-income people under serious pressure. Besides, though it is not within the direct purview of the budget, restoring macroeconomic stability through careful planning and strategising is of paramount importance. As for the forex reserves, since the hike in August 2021, we observe a steady decline with the gross reserves, which stood at \$18.61 billion on May 21, 2024. In recent months, the gap between the supply and demand of dollars in the current account has widened along with the decline in the financial account balance, putting an upward pressure on the price of the greenback. While the artificially retained exchange rate was at Tk 110 till May 8, the market rate exceeded Tk 116, causing a faster depletion of forex reserves. Finally, very recently,

the Bangladesh Bank set the crawling peg mid-rate (CPMR) at Tk 117 per US dollar, up from Tk 110.

Against this backdrop, the revenue and expenditure strategies should be aligned with the priorities. To contain the unprecedentedly high inflation, necessary downward adjustments of VAT, regulatory duties, import taxes, etc could give some relief to ordinary people. A one-percentage-point cut in the source tax on incomes from the supply of essential food commodities, as expected to be proposed by the government, is a right step. In order to compensate the deficit in revenue for this tax cut as well as to broaden the fiscal space, a massive reform is needed, gradually shifting the focus towards direct taxation.

As part of tax reform initiatives, digitalisation at every level of monetary transactions and making the revenue collection mechanism fully automated is essential. In addition, decentralising the tax system and tax offices, arranging tax fairs at different localities with certain incentives, severe penalty in case of corruption or harassment of clients, making submission of tax return certificates mandatory, making the surcharges more progressive, redesigning income tax brackets, making excise duties more progressive, etc can have important implications. Redesigning wealth tax in a progressive manner should be seriously considered too. Given the rising trend in income inequality, such reforms in direct taxation should be implemented with even greater emphasis.

In order to provide some comfort to the low-income groups, a massive shift is needed in favour of safety net allocations. The open market sale (OMS) activity should be expanded significantly by increasing the number of OMS trucks, including more items on the list, and subsidising those items by a greater margin. Besides, initiatives like rationing and fair price shops need to be introduced and operated. Revisiting the beneficiary selection criterion is also needed to correctly identify the vulnerable people. Though the government is planning to increase the number of beneficiaries along with the per capita allocation of several safety net programmes, given the high inflation rate, a multi-fold increase is needed to the allocation.

The government can also incentivise the private sector through small tax

rebates to safeguard the interests of existing workers through monthly ration, subsidised mid-meal, etc. Besides, the safety net programmes need to be revisited while focusing on the urban poor living in slum areas. While analysing the safety net budgets, we should however keep in mind that it includes allocations for pension earners as well as interest payments

taxation as well as to put a constraint on the outflow of foreign currency, luxury commodities need to be taxed at even higher rates.

Allocations in different expenditure heads must be done in a careful manner while curtailing lesser important expenses and prioritising expenditure for social infrastructure, e.g. education, healthcare and social safety net.



VISUAL: SHAIKH SULTANA JAHAN BADHON

of savings certificates. It is therefore crucial to track the amount of safety net allocations of these payments, which are actually directed towards those at the grassroots level. To combat the rising inflation, policy directions for effective market monitoring should be outlined in the budget. Initiatives for a quick implementation of the National Social Security Strategy (NSSS) should also be considered.

While considering the priorities for the next budget, though the target of macroeconomic stability is not a directly related fiscal target, important changes can be made through carefully designed strategies. For example, in order to encourage dollar inflow, there is a 2.5 percent incentive for remitters. Though this step has increased the inflow of remittances in the short term, as long as there is any divergence between the official and the unofficial rates, remitters will have monetary incentive to send remittances through the informal channels. Therefore, it is important to consider non-monetary incentives for the remitters, and in the long run, it is crucial to eventually move towards a market-driven unified exchange rate regime. However, in this regard, it is crucial to have effective background management of the relevant institutions.

Another reason for the increased flow through informal channels is the existence of the informal hundi market, based on black money. To channel foreign currency through formal means, strict measures should be taken to constrain the syphoning of black money through informal channels. To boost trade-related

Despite low revenue mobilisation, these expenditure heads should not be compromised. With the twin macro concerns of the government, e.g. forex reserve depletion coupled with the falling value of the taka, the central bank has taken different contractionary policy stances to tame down inflation. As a result, the pace of job creation has slowed down. Consequently, the upcoming budget must prioritise incentivising the micro, small and cottage industry through tax rebates, subsidies of different forms, etc for small-scale job creation.

Due to the forex crisis, careful consideration is also needed in case of any large-scale investment, and the priority should be to concentrate on quick completion of the ongoing ones. Given the narrow fiscal space, it should also be kept in mind that larger deficits and associated domestic financing can fuel inflation, whereas costly foreign financing can have further negative implications on the overall macro scenario. A more balanced approach in case of deficit financing while focusing more on long-term multilateral financing sources instead of costly bank financing is a better approach at this stage.

Finally, although the national budget is a tool for resource allocation and management, it is also expected that, given the prevailing challenges in certain important institutions, the upcoming budget will offer specific policy directions to tackle such underlying challenges of the economy, especially those related to low revenue mobilisation and irregularities in the financial sector.

The untold agony of Cyclone Remal



Monira Sharmin is a columnist and an independent researcher. She can be reached at monirasharmin11@gmail.com.

MONIRA SHARMIN

Can you imagine living under the open sky, bereft of shelter, having lost your home to the sudden and merciless onslaught of a cyclone? For those who have not experienced such devastation, it is difficult to imagine such a dire situation. Government assessments to date indicate that at least 150,000 homes have been destroyed or damaged across 19 districts, affecting an estimated 639,000 people, of whom about 274,000 are children. Despite technological advancements that allow us to monitor a cyclone's trajectory, including its source, wind speed, estimated landfall time, and lead time, structural mitigation measures have not kept pace, as evidenced by Cyclone Remal.

The floodwaters left half a million people stranded. Significant damage was inflicted on agricultural land, shrimp and fish enclosures were swept away, road connections were severed in some locations, and salty water seeped in, depleting freshwater supplies. Many survivors are now compelled to live in cramped, filthy, temporary shelters or improvised housing. Some people may even find it difficult to rebuild their homes and lives while being displaced for prolonged periods.

While the cyclone tore through the nation's coastal regions, at least 26

people in Khulna, Satkhira, Barishal, Patuakhali, Bhola, and Chattogram lost their lives, mostly from collapsing walls and falling trees. The tidal surge triggered by the cyclone flooded many areas, leaving settlements underwater as embankments broke. The people whose houses were destroyed by the storm mostly took refuge with neighbours or relatives. Though awareness campaigns and preparations for the disasters led to at least 800,000 people being moved to cyclone shelters, significantly decreasing the death toll, the loss of lives during Cyclone Remal raises questions.

As you may recall, a young man wrote the words "We want dam, not relief" on his chest in a photo that went viral on social media right after the cyclone. This image effectively illustrates the precarious nature of reconstruction and rehabilitation efforts. In addition to disaster preparedness, dams and levees require prompt maintenance and reinforcement. Significant infrastructure vulnerabilities were revealed by the recent cyclone. Many houses in the coastal region are not constructed to withstand strong winds and torrential rain, resulting in extensive damage and the eviction of residents. Disaster management

professionals have long emphasised the need for constructing stronger, more climate-resilient homes for vulnerable populations in these areas.

Widespread and protracted power outages resulted from substation damage and power line damage triggered by cyclone winds and flooding. Emergency response operations were hampered by damage to communication towers and networks, leaving isolated communities unable to request support. In at least 45 districts, the cyclone prompted blackouts and hindered telecommunication services. The initial statement from the Bangladesh Telecommunication Regulatory Commission (BTRC) stated that 22,218—or 48 percent—of the 45,601 towers had been out of order. Another report indicated that the cyclone left 1.73 crore people without electricity.

Every cyclone invariably causes a great deal of suffering. Even though the death toll is frequently highlighted in post-cyclone assessments, the impact of disasters cannot be fully appreciated based solely on this statistic. Beyond fatalities, a large number of people suffer injuries that may necessitate ongoing medical care and rehabilitation. Survivors may experience trauma, anxiety, and depression, and they may lose their homes, livelihoods, and loved ones—all of which are often disregarded in the aftermath.

The disruption in daily life extends to various facets of existence. The closure of schools, destroyed and damaged, impedes children's education, potentially causing long-term detriments to their development.

Economic activities are halted as businesses face destruction and farmers lose their crops and livestock, leading to financial instability and poverty. The environmental impact is also significant, with the destruction of natural habitats and contamination of water sources posing additional long-term challenges.

Structural measures, such as repairing and reinforcing dams and levees, are critical to mitigate the impact of cyclones as they play a vital role in controlling floodwaters and protecting communities from inundation. Addressing the broader implications of cyclones also requires a holistic approach that includes psychological support for survivors, restoration of livelihoods, and rebuilding of community networks. Efforts should also focus on improving housing standards and developing sustainable agricultural practices to enhance resilience against future storms.

We need to ensure that impacted communities receive food, clean water, medical attention, and temporary housing as soon as possible. At the same time, start repairing and fortifying vital infrastructure, such as levees, roads, electricity lines, dams, and dwellings, using designs that are climate-resilient. The government, other national and international organisations should come together providing financial support, reestablishing livelihoods, and resurrecting local businesses to aid in the economic recovery. We have no chance of easing the suffering that results from natural disasters unless we make all-encompassing and persistent efforts.