

The price we pay for processed rice Govt must formulate clear guidelines on rice processing

It is a truth universally acknowledged by now that laws and directives in Bangladesh are meant to be broken. It is no surprise, then, that millers across the country have been defying a 2023 ban on polishing rice and selling it under fake names, such as the popular variety "miniket." This processed rice comes at a steep cost: compromised nutrition, wasted resources, and potentially inflated prices.

The allure of miniket lies in its polished appearance, a characteristic achieved by removing layers of the rice bran, which is rich in essential nutrients: iron, calcium, and B vitamins. Studies reveal that excessive polishing strips rice of up to 70 percent of its zinc content, a crucial mineral for immune function and growth. Furthermore, this excessive polishing leads to significant rice wastage. Experts estimate that 16 lakh tonnes of rice are lost annually due to over-polishing. This not only impacts national food security, but also contributes to potentially higher rice prices for consumers. Alarmingly, as per a recent study by the International Food Policy Research Institute (IFPRI), over 30 percent of the rice sold in city markets in Bangladesh is refined into a different shape, size, and colour and branded as miniket.

While we laud the government for recognising the harmful impact of over-processing rice, we are at a loss to understand why the ban is yet to be implemented. There are as many as 4,000 automatic rice mills across the country, according to Bangladesh Auto Major and Husking Mills Owners Association (BAMHMOA). Millers say there are no clear guidelines on what an acceptable limit of processing rice is, while food controllers, who should be implementing the ban, say they have received no instructions from the government or high officials on what steps to take. This inaction, which not only undermines the law but also jeopardises the health of Bangladeshi citizens, is simply unacceptable.

The solution lies in swift and decisive action. The government must expedite the issuing of clear rice polishing guidelines, establishing acceptable limits, and outlining enforcement mechanisms. Rice millers also have a role to play here. They must embrace responsible practices and prioritise the well-being of the nation over short-term profit gains. Additionally, public awareness campaigns are crucial to educate consumers about the misleading nature of the miniket label. It is truly mind-boggling that we are allowing our staple to be stripped of its nutrients under the ignorant belief that white, processed rice is better than nutrient-filled coarse rice, and even paying a steeper price for it!

Don't ignore startups in the budget

They need govt support now more than ever

When the country is struggling with a number of economic challenges, it is not unexpected that the government would propose conservative measures in the new budget to stem the outflow of money. However, it does not explain why such measures would be proposed for startups—a key sector that can give our economy the push it so desperately needs right now. According to a report in this daily, the government not only has no plan to offer relief to the startups in these trying times, but it actually plans to discontinue the existing benefits.

According to the report, startups in Bangladesh have already been feeling the bite of a declining fund flow. Investment plummeted 70 percent quarter-on-quarter in January-March this year due to the ongoing global funding downturn; compared to the same period last year, the decline is even steeper at 82 percent. Under the circumstances, the government is looking to suspend the existing benefits and impose more duties. The finance minister recently announced that investors and developers at the hi-tech parks would no longer be given the 10 year tax waiver on their earnings come the next fiscal year. Moreover, in government hi-tech parks, a one percent duty will be imposed on capital machinery imports. Meanwhile, the government has not addressed any of the concerns and demands raised by the startups. For example, the demand from e-commerce and logistic startups for the withdrawal of the 15 percent VAT on parcel delivery and five percent VAT on online product sales have not been met in the proposed budget.

These decisions are truly puzzling, especially when we consider the consequences. Industry insiders said withdrawal of the tax waiver would surely hinder the growth of the hi-tech parks as investors—particularly the foreign ones—may get discouraged when they are no longer allowed the benefits. And imposing additional duties will push the cost of doing business upward for the startups. We urge the government to see reason and facilitate the growth of startups, instead of stunting it by employing growth-averse policies. Given the current fund crunch, it could arrange for soft loans on easy terms for startups. It must also come up with incentives that would draw in more investors for the sector. In order to create a smart economy and realise the vision of a smart country, we must smoothen the way for the startups, not create obstacles for them.

THIS DAY IN HISTORY

Ebola breaks out in Sudan

On this day in 1976, a factory storekeeper in Nzara township, Sudan fell ill and died within five days. This marked the beginning of the world's first recorded Ebola virus epidemic. At the time, the epidemic affected 284 people, half of whom died.



TEESTA MANAGEMENT PROJECT

New challenges before Bangladesh



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Discussing the Teesta water-sharing agreement has become part of the routine in prime minister-level meetings between Bangladesh and India. In each meeting, the prime minister of Bangladesh would request the Indian prime minister for the conclusion of the interim agreement on sharing the water of Teesta, as agreed upon by both governments in January 2011. And then the Indian PM would reiterate that his government was working with all the stakeholders in India for an early conclusion of the agreement. This kind of request and assurance can be found in all the recent joint statements, like the joint statements issued during the Bangladesh PM's visit to India in October 2019, and the Indian PM's visit to Bangladesh in March 2021.

However, an exception can be seen in the statement of September 2022, during the Bangladesh PM's visit to India, where she raised the issue of signing the draft Teesta agreement prepared in 2011. That time, there was no assurance from the Indian PM in the statement. Subsequently, neither of the prime ministers mentioned the Teesta water-sharing agreement in the joint statement titled "India-Bangladesh Shared Vision for Future," issued after the latest visit of Prime Minister Sheikh Hasina to India on June 21-22 this year.

Instead, it was announced that an Indian technical team would soon visit Bangladesh to discuss "conservation and management of the Teesta River inside Bangladesh." What India meant by "conservation and management" was elaborated on by Indian Foreign Secretary Vinay Mohan Kwatra.

"It is less about the water-sharing part, but more about management of water flow within the Teesta River," explained Secretary Kwatra, in a special media briefing.

This omission of the Teesta water-sharing agreement from the joint statement is a significant change. Does this mean that the Teesta water-sharing agenda has been abandoned?

The discussion on the Teesta River Comprehensive Management and Restoration Project (TRCMRP) has been going on in Bangladesh for quite a few years. This megaproject to restore the Teesta is supposed to be implemented with financial and technical assistance from China. Since 2019, China and Bangladesh have been discussing this matter. Now it appears that India has also become seriously

interested in the project.

This is because the region where the TRCMRP is to be implemented is deemed strategically important by India. According to a report in the *Hindustan Times* on June 22, besides worries about water flow data and other information on the cross-border river being scooped up by China, India has concerns about Chinese personnel establishing a presence at the project site located near the "chicken's neck"—



Any discussion on the Teesta management should involve a water-sharing agreement with India.

FILE PHOTO: STAR

the narrow strip of land connecting the northeast of India to the rest of the country.

But will the Teesta crisis be solved by conserving and managing the water of the Teesta inside Bangladesh? The main problem of the Teesta River is India's unilateral withdrawal of water from the river by building barrages upstream and the creation of obstacles in river flow by constructing infrastructure projects, including hydroelectric power plants. So, what will be the procedure of involving India, the country which is responsible for drying up the Teesta River and depriving Bangladesh of the fair share of the river's water, in the management of the river inside Bangladesh? Accepting India's technical assistance in an attempt to revitalise the Teesta

is 3.1 kilometres. Under the TRCMRP project, this width will be reduced to 0.7 kilometre to one kilometre, which will cause a serious adverse effect on the velocity and water carrying capacity of the river.

According to a study by Dr Md Khalequzzaman, professor of geology and environmental sciences at the Commonwealth University of Pennsylvania in the US, due to the reduced cross-section of the river, the velocity of the river will increase. As a result, when the flow of water increases greatly during the rainy season, the erosion tendency of the two banks will increase. Due to the embankments on both sides of the river, most of the tributaries and distributaries of the Teesta will likely be cut off from the main river. For this

Bangladesh cannot get an equitable share of the water from upstream, the Teesta crisis will not be resolved. Even if the Teesta water-sharing agreement is signed between Bangladesh and India over sharing water only at Gajoldoba point, without taking into account the impact of upstream projects in Sikkim, the crisis will not be solved.

Any discussion on the Teesta management should involve a water-sharing agreement with India which will ensure equitable water flow, enforce restrictions on unilateral changes in upstream river flow, keep provisions for mandatory exchange of data regarding any upstream project, and have the option for third-party dispute settlement. Otherwise, Bangladesh will continue to suffer for the Teesta for decades to come.

MICRO-, SMALL AND MEDIUM-SIZED ENTERPRISES DAY

For shared prosperity, formalisation of work is vital



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GUNJAN DALLAKOTI

Md Bilal Hussain, 73, learnt weaving from his father. Born in a family of weavers, he believes weaving is in his blood, inherited from his ancestors. His last employer confirms that Bilal is the best weaver he ever had. He is excellent at weaving silk sarees and salwar kameez.

Bilal worked for 57 years—42 with his last employer and 15 years with another. At retirement, he earned Tk 6,200 a month on average, being paid Tk 1,400 for each piece of clothing he made. Bilal retired in November 2023. His failing eyesight and aching body compelled him to stop although he did not want to. His low earnings never permitted him to save anything. He is not getting any retirement benefits as his employment was informal. Devoid of benefits, he is now at the mercy of his sons for the rest of his life and believes the Almighty will provide for him.

Ferdous Munsif, the owner (malik)

of the small saree-making cottage enterprise where Bilal worked, explained the business. He spends Tk 2,000 on raw materials, mostly imported, for each saree and pays workers like Bilal Tk 1,400 to make the saree. This then retails at Tk 4,000. His gross profit does not even cover the rent of the space and the holding cost of inventory for the off season. He is critically aware of the low wages his workers are getting, but can do nothing about it.

This is the reality in the informal sector. The Bangladesh Labour Force Survey 2022 shows that close to six crore (60 million) people, 84.9 percent of total working population in Bangladesh, are in informal employment. It is noteworthy that out of the total employed women in Bangladesh, 96.6 percent are in informal employment. Similarly, 92.7 percent of youth aged 15-27 years are employed informally. Informal

employment can be both in formally registered businesses and in the unregistered ones.

Economists opine that some level of informality is expected in a growing economy like Bangladesh, where an effective business governance system and procedures are yet to be established. There are several reasons for the widespread informality in the country. Studies have suggested that the ineffectiveness of public services like registration, licensing and tax processing of businesses are among the main reasons. On the other hand, lack of clear incentives to formalise, limited understanding of the process of formalisation, and limited employment opportunities are other impediments.

The consequences of the high informality are severe: low tax to GDP ratio, widening inequality, stagnant industrial competitiveness in sectors other than ready-made garment (RMG) and low labour productivity, and low product and service quality. Informality also hinders the potential of the industrial sector to participate and benefit from growing international value chains and export market opportunities. These are extremely critical as Bangladesh prepares to graduate from LDC status and enters the global market on the basis of competitiveness and productivity.

While the prioritisation of

formalisation in the Industrial Policy 2023 is a welcome step, there is a dearth of studies on the potential positive impact of formalisation and Bangladesh's capacity to formalise to inform policymaking. Furthering the formalisation agenda is imperative for the country if it is to achieve the ambition of economic diversification and modernisation of the private sector to become competitive globally. The implementation of the policy requires an integrated effort from the whole of the government, the private sector, and workers' organisations. The success of ongoing labour sector and social protection reforms are also key to addressing informality.

The informal sector, which comprises cottage, micro-, small and medium enterprises, not only operates closest to local communities, but plays a crucial role in creating local jobs, especially for women and youth in Bangladesh. As we commemorate the Micro-, Small and Medium-sized Enterprises Day today, we recognise that it is a vital sector at the heart of our societies with tremendous potential to accelerate decent job creation and achievement of the SDG goals.

To fully harness its potential, a transition to formalisation is necessary to ensure that the millions of workers in the sector do not end up like Bilal—destitute after a fully productive working life.