

Take steps to tackle new US tariffs

Bangladesh must evolve with the changing global trade landscape

We are deeply concerned by US President Donald Trump's reciprocal tariff policy announced on April 2 against all trading partners of the US, including Bangladesh. The policy comes as a shock to the world and signals a shift from the decades-long established global trading pattern. Under the new policy, a base 10 percent tariff will be applied to all foreign goods in the US, while goods from many countries will face higher rates depending on their trade imbalances with the US.

Ironically, it was the US that was the prime mover of the idea of open and free trade by reducing trade barriers through the 1947 General Agreement on Tariffs and Trade (GATT) treaty, which later evolved into the World Trade Organization (WTO) with 166 member nations. But Trump's latest move is a complete reversal of the US's previous position and strikes at the core of globalisation as opposed to protectionism. The policy adds an extra layer of uncertainty to the already complex global trade economy, which has been hit by geopolitical tensions and lingering inflation.

As the world prepares for this new economic reality, Bangladesh must undertake measures to protect its interests. The 37 percent reciprocal tariff the US imposed on Bangladeshi exports will undoubtedly strike the RMG sector hard, as the US has historically been the top destination for our garment products. Last year, \$8.4 billion worth of goods were exported to the US and only \$2.2 billion were imported from the country, indicating a trade balance in our favour. While some of our main competitors, including China and Vietnam, face higher tariffs than we do, others, such as India, face lower tariffs, which may give them a built-in advantage. This raises concerns about losing the US RMG market to Indian competitors.

However, the government has already made a positive move by initiating a review of tariffs on goods imported from the US. A thorough re-examination of the trade relationship with the US and a re-assessment of the tariff structure, including the removal of tariffs on a select number of US goods, will hopefully send a positive signal to the Trump administration. Experts suggested offering lower tariff offers through the Trade and Investment Cooperation Forum Agreement (Ticfa) to open the doors for further negotiation. However, Bangladesh needs to gear up its negotiation skills and strategies and strengthen ties with key partners through bilateral and multilateral agreements to face the increasingly unpredictable global trade regime. In the long run, Bangladesh needs to diversify both its markets and products and increase efficiency and productivity to retain its competitiveness in the global market. Trump's tariff policy is undoubtedly a shock, but we must not shy away from employing creative and innovative strategies in handling this matter.

Why do Eid festivities always turn tragic?

The usual trend of holiday road crashes continues

The joy and festivities of Eid-ul-Fitr this week invariably turned tragic as road crashes claimed a number of lives across the country. According to a report in this daily, between March 31 and April 2, at least 41 people were killed in road crashes. It is suspected that the actual death toll could be higher. This is a sad state of affairs that has unfortunately become a common occurrence in Bangladesh. But it cannot be normalised, and the authorities have to find a way to make roads safer during Eid holidays.

While all preventable losses of life are devastating, some incidents leave a deeper mark due to their effects. Take, for example, the death of 26-year-old Roni Sikder, a constable under Gazipur Metropolitan Police who was on his way to his pregnant wife, who was scheduled for a surgery. An autorickshaw coming from the opposite side hit Roni's motorcycle, before he fell and died on the spot. He was buried in his family cemetery an hour after his son was born.

Perhaps the most tragic incident reported so far is the holiday trip to Cox's Bazar that turned catastrophic. Ten members of a family—who were travelling from Kushtia—died in a crash in the Jangalia Chunati area on the Chattogram-Cox's Bazar highway when their microbus collided head-on with a bus. Among the survivors are a young girl who has lost both her parents. It is terrifying that this crash was one of three incidents that took place in the same spot within 48 hours, killing at least 15 people. Locals said the two-kilometre stretch on the highway is accident-prone due to the treacherous nature of the hilly and slippery road. In fact, at least 28 people have been killed in road crashes in this same spot since January this year. The authorities have taken some urgent measures to prevent further crashes, but what we want to know is why, when this road is already notorious for the high risk of road mishaps, preventive measures were not planned beforehand?

This situation cannot continue to persist. Unfortunately, looking at how road safety has been handled over the years, making the roads safe has not been a priority for any government in this country. We can only hope that, in the new reality of Bangladesh where reforms are being proposed to rebuild the country, road safety will finally get the attention it desperately needs. Only then will we be spared from unnecessary and preventable deaths on our roads, and Eid holidays can be what they're supposed to be: an occasion only for merriment and reunions.

THIS DAY IN HISTORY



Martin Luther King, Jr assassinated

On this day in 1968, Martin Luther King, Jr, a leader of the American civil rights movement, who was in Memphis, Tennessee to support a strike by the city's sanitation workers, was assassinated by James Earl Ray.

The urgent need for a worker database



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Do we know the number of garment workers in Bangladesh? Do we have statistics on their age and gender? Do we know how many of them die at the workplace because of work related accidents and how many die outside? How many hatcheries do we have, and how many workers sell their labour in the shrimp, poultry, and other hatcheries in Bangladesh? How many workers are there in the leather, shipbreaking, and other industries? How many of the youth work as delivery persons? Do we know the number of people engaged in app-based work contributing to the economy? Have we categorised the workers of formal and informal sectors? The list of questions can be longer. Regardless, the objective of raising them is to revisit our position, action, and attitude towards the workers who run the wheel of Bangladesh's economy.

In the last one and a half decades, "digital Bangladesh" was probably one of the most uttered terms that is now found useless because of the absence of a digital information storage and management system in most sectors just like the labour sector. Both the limitations of our legal framework and the absence of a database have jeopardised labour rights and protection.

Although we have a legal framework—the Labour Act, 2006—the execution of its clauses involves a complicated process discouraging workers to claim benefits at the court. Let us take the case of Minara, a garment industry worker who was killed in a road accident in Banani on March 10. According to the Act, one has to be in service for at least two years and die while at work to make their family eligible for compensation. Is it then Minara's fault that she was hit by a truck on the road? Are workers like Minara disposable? Aren't they



PHOTO: PRABIR DAS

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citizens of this country, too?

But the situation of the informal sector workers is even worse. Most of their work has not been even recognised by the Labour Act. Yet this is the work that adds value to the economy of the country. They are the drivers of personal and organisational vehicles as well as app based drivers, domestic workers, cleaners, gardeners, security guards, construction workers of personal properties, labourers in agriculture, fisheries and other sectors, tea workers, home deliverers, etc. Since we cannot deny the importance of their contribution to both formal and informal economic sectors, is it not a responsibility of the government to ensure their rights and protection?

Bangladesh has recently amended some of the policies regarding the rights of trade unions according to the recommendations of the International Labour Organization

(ILO). But can these changes touch those workers who are not even recognised by law? Bangladesh urgently needs to revisit its policies to make them more worker-friendly.

Research can provide us with data to develop long and short-term plans for the informal labour market and get a clearer picture of the volume of contribution of these workers to the

database is also helpful in tracking violations, wage theft, unsafe working conditions, discriminations, etc., enforcing laws, protecting workers, ensuring transparency and accountability at the workplace, empowering workers, and most importantly, formulating data driven policies.

A database can provide significant benefits for workers in the informal sector, who often lack job security, contracts, and legal protections. However, our labour ministry is yet to take any initiative on developing a database for the industries and for the labour force of the country. We do not know the number of people working as labourers in different categories, both within and outside Bangladesh. Addressing discrimination based on gender or disabilities is a distant goal.

Seeing garment industry workers on the street demanding their wages before Eid is a common sight in our country every year. And they are categorised as the formal sector's workers. What about informal sector workers? Have we thought of the consequences a food delivery boy has to face in case of an accident involving his bicycle? Or a private car driver who is the only breadwinner of a five-member family and has lost his job without any notice just because the car owner's son had an argument with him?

We take actions only when we are pressured by ILO and other influential organisations. We should ask whether the government is doing favour to the workers by granting their rights by the law or is it a duty of the government to ensure the rights and protection of the workers regardless of their status? We must keep in mind that the united efforts of the informal sectors' workers are one of the key forces to run the wheel of our economy. We all saw how remittance declined during the July revolution just because of the united efforts of our migrant workers.

If workers in a country are well-paid and secure, they spend more, boosting business profits, which leads to more job creation—a cycle of economic growth. Therefore, including the informal sector's workers in the Labour Act, 2006 and developing a database for them, which is actually essential for the government, is a duty of the government.

To combat poverty, we need to revamp social protection

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A Bangladesh Bureau of Statistics (BBS) report published this year states that around 19.2 percent of the population is living below the poverty line. Two-third of the population in this category are likely to be under the age of 30. According to the BBS report, Narsingdi, Pirojpur, Kishoreganj, Chapainawabganj, Jhalakathi, and Panchagarh are the most poverty-stricken districts.

Stamping out poverty has been a core development agenda in Bangladesh, with programmatic interventions taken in the last five decades. However, poverty remains the biggest adversary despite government, international and local NGOs, and the private sector efforts. Besides, climate change and vulnerability, with gender, social, and power dimensions, have repeatedly negatively impacted the poor.

According to the 2024 Multidimensional Poverty Index by the United Nations Development Programme (UNDP), 6.5 percent of the Bangladeshi population suffers from severe multidimensional poverty, and 18.2 percent of the population is vulnerable to multidimensional poverty. The Covid pandemic pushed a significant number of the population below the poverty line. Many of them continue to struggle to return to the previous life standard they used to maintain. Three years later, they are facing high inflation and limited job opportunities, resulting in dire consequences, particularly for the low-income group. A 2024 study by the Research and Policy Integration for Development (RAPID) highlighted

that over the past two years there has been a real income reduction due to ongoing inflationary pressure thereby pushing at least 7.8 million people into the poverty bracket, and around one crore people are at risk of slipping below the poverty line.

A 2022 study conducted by the Bangladesh Institute of Development Studies (BIDS) reveals that out-of-pocket expenditures for basic services have added an extra burden. Soaring healthcare expenses pushed 61 lakh people into the poverty bracket. Out-of-pocket health expenditure increased by 73 percent in 2021 compared to 56 percent in 1997. It is the second highest in South Asia after Afghanistan, which may be attributed to the pandemic years. Meanwhile, the out-of-pocket expenditure increased by 51 percent for secondary education and 25 percent for primary education, as per a study conducted by Education Watch in 2023. In addition, the Global Education Monitoring Report 2022 reveals that Bangladeshi families bear 71 percent of the total education expenses. Such increases in cost perpetuates the existing poverty cycle. Challenges such as corruption, inefficiency, and accessibility issues are impacting the poverty cycle repeatedly.

Social safety net projects run by the government may have mitigated the difficulties to some extent. Yet, these measures are far from actually removing the complex challenges faced by the poor. Moreover, the efficacy and efficiency of the various projects remain questionable. Recipients' complaints about the pilferage of resources and inadequacy on all levels

often make the projects ineffective.

Besides, many marginalised groups face multiple levels of exclusion in their public and private life. Therefore, the communities at the frontline, affected by the exclusion, are calling for a comprehensive social protection mechanism to challenge poverty. One suggestion has been to revamp

The efficiency of the social protection mechanism depends on the programme itself. In the present context, is it aligned with the national adaptation strategy? The climate crisis is not a matter of the future but a reality today; therefore, government schemes and interventions have to factor in climate risk. Global warming has impacted all aspects of the value chain in different production sectors, thus putting work/jobs at risk.

existing public service institutions to provide quality public services and design new ones for vulnerable groups. In addition, an extensive review of the existing programmes suggests adjustments should be a prerequisite. A recently published study (November 2024) by the Centre for Policy Dialogue (CPD) suggests operationalising universal basic income in Bangladesh to promote social equity, streamline government processes and advance social protection mechanisms among others.

How the social protection mechanism could be made efficient

remains a major question. In 2015, the government adopted the National Social Security Strategy (NSSS), which encompasses strategies for environmental protection and climate change management, disaster management, children with special needs, elderly, and widows, etc. Now, it requires review and deep critical analysis with solutions.

The efficiency of the social protection mechanism depends on the programme itself. In the present context, is it aligned with the national adaptation strategy? The climate crisis is not a matter of the future but a reality today; therefore, government schemes and interventions have to factor in climate risk. Global warming has impacted all aspects of the value chain in different production sectors, thus putting work/jobs at risk. The informal sector mostly has unskilled and semi-skilled employees, which has created a level of vulnerability that calls for new and varied measures. Poor people cannot afford not to work; thus, in extreme heat and amid pollution, they continue working. This impacts their productivity and health, consequently increasing their expenses, including health-related ones.

Accountable governance practices and quality public service delivery mechanisms are the two most essential elements, along with progressive taxation policy for resource mobilisation to address the plight of the poor. These elements also help achieve the full potential of the social safety net meant to contribute to the most marginalised communities and enable the realisation of their basic rights by following the life-cycle approach. Quality education, health, agriculture, and other livelihood-related services may contribute to developing comprehensive and inclusive social protection mechanisms for the most marginalised communities and build their resilience to reduce vulnerabilities.