

## Probe past corrupt recruitment practices

### CA's KL visit should have prioritised migrant workers' plight

The chief adviser's recent Kuala Lumpur visit, while offering some hope regarding the Rohingya crisis, fell short in addressing the plight of Bangladeshi migrant workers in Malaysia exploited by recruiting syndicates operating in both countries. Although the chief adviser told a Malaysian news agency that the two nations had agreed to establish a more transparent recruitment system, he failed to mention accountability for those responsible for past cases of exploitation. Instead, he mentioned discussion about proceeding to "clean up" the current recruitment system in a way that would not be a "trouble for the Malaysian government."

This raises concerns about whether future recruitment can truly be transparent without holding accountable those who defrauded nearly five lakh Bangladeshi migrant workers. Between August 2022 and May 2024, around 480,000 Bangladeshis migrated to Malaysia through 101 agencies selected by the Malaysian authorities. Reports suggest these workers paid five to six times more than the Tk 78,990 agreed upon in a 2021 MoU between Bangladesh and Malaysia. Despite such excessive payments, many remain undocumented, unemployed, unpaid or underpaid, according to rights bodies.

The UN expressed concern last year noting the existence of criminal networks involved in recruitment fraud and alleging complicity or negligence at high levels of both the governments. Yet, Bangladesh's Criminal Investigation Department (CID) recently cleared the former expatriates' welfare minister, a former secretary, several former MPs, and the 101 agencies of charges related to human trafficking and money laundering. The CID submitted its final report to a Dhaka court on July 15, citing lack of evidence. Earlier on April 23, Malaysia requested Bangladesh to withdraw "unsubstantiated allegations" of corruption in the migration process. In March, the Anti-Corruption Commission (ACC) had filed cases against 12 recruiting agency owners, including the former MPs cleared by the CID.

In this context, the chief adviser's remarks and the absence of any labour welfare related agreements among the eight deals signed during the visit are disappointing. While we welcome the promise that Bangladeshi workers in Malaysia will receive the same social benefits as Malaysian workers, regularising undocumented workers and ensuring accountability for past abuse must also be prioritised. The Bangladesh government must press Malaysia to cooperate in the investigation of recruitment syndicates. Also, the ACC's findings should be made public. The interim government enjoys strong support from Bangladeshi migrant workers and has taken several steps to promote their dignity and rights. Hence, we expect a stronger stance from the government on the urgent need for justice for exploited workers. Sending workers abroad for remittance should not be our only priority; their protection, dignity, and justice must come first.

## Food insecurity still haunts the poor

### Govt must tame inflation, expand safety nets

We are deeply concerned that persistent inflation, rising unemployment, and inadequate government support continue to push people towards poverty, despite the economy showing some signs of recovery of late. Reportedly, every day, people from poor and low-income groups are seen lining up in front of TCB trucks early in the morning to buy basic items like rice, lentils, and cooking oil, which are sold at slightly cheaper prices than in regular markets. But many go home empty-handed because supplies run out quickly. To deal with the rising prices of food and other essentials, some have reportedly reduced their food quality, and even given up medical treatment and children's education.

Talking to individuals from poor, low, and middle-income groups, our reporters found that people from these socioeconomic backgrounds are struggling to meet their basic needs with their current income. For instance, rickshaw puller Masud Rana, with his monthly income of Tk 12,000, can now afford to have some cheap fish in his meals only twice a week, whereas just a year ago he could afford fish five days a week. Samiul Islam, a private sector employee in Dhaka who represents many in the middle-income bracket, finds himself borrowing at the end of each month despite cutting all non-essential expenses. Power loom worker Omar Faruk and garment employee Darul Huda reported rising living costs and an inability to save, even while working full time. These accounts reflect the widespread impact of inflation and economic strain across various income groups in the country and a deepening crisis of poverty and food insecurity.

The Global Report on Food Crises 2025 ranks Bangladesh fourth globally in terms of people suffering from severe food insecurity. This long standing challenge is now compounded by rising inflation, stagnant wages, and a still slow economy. According to the Bangladesh Bureau of Statistics, in July, the overall inflation rose to 8.55 percent and food inflation climbed to 7.56 percent, while real wages continued to fall for the 42 consecutive months, meaning incomes are not keeping pace with the rising costs.

To address this crisis, the government must prioritise policies that curb inflation and stimulate job creation. Expanding social safety nets, investing in agriculture and small enterprises, and ensuring fair wage growth are essential steps. Without urgent action, food insecurity and poverty may get worse in the country.

## THIS DAY IN HISTORY

### Usain Bolt sets 100-metre dash world record

On this day in 2009, Jamaica's Usain Bolt, then 22 years old, already the fastest man in the world, shattered his own world record in the 100-metre dash, winning the event in 9.58 seconds.



# EDITORIAL

## How inflation control correlates with economic growth



Dr Sadiq Ahmed  
is vice chairman at the Policy Research Institute of Bangladesh (PRI). He can be reached at sadiqahmed1952@gmail.com.

SADIQ AHMED

Bangladesh is navigating through a turbulent macroeconomic landscape characterised by falling GDP growth and a stubborn high rate of inflation. The government has rightly targeted inflation control as one of its primary macroeconomic goals. Apart from its adverse consequences for investment climate and long-term growth, high inflation has huge social costs that hurts the low-income and poor sections of the population.

One of the major policy instruments used by the government to control inflation has been the interest rate policy. Following a long period of regulated interest rates, in a series of steps since December 2023, the Bangladesh Bank (BB) has lifted the limit; presently, the interest rate is market-determined. BB influences interest rates through its policy rate and monetary aggregates. The current monetary policy stance is to raise the interest rate to curb the growth of domestic credit with a view to lowering aggregate demand, thereby lowering inflation. The policy rate climbed from 6.5 percent in September 2023 to 8.5 percent in May 2024 and subsequently to 10 percent in December 2024. It has remained unchanged since then. The average lending rate climbed from a low of 7.8 percent in September 2023 to 11.5 percent in June 2024 to 12.2 percent in July 2025.

What has been the impact of this

fiscal deficits and less use of bank borrowings to finance the deficits. Consequently, the inflation rate has shown some signs of respite. The upward move has been arrested and is now trending downwards, as inflation fell from a peak of around 11.7 percent in July 2024 to nearly 8.6 percent in July 2025. BB has announced its

The slide in GDP growth is a complex interaction of a whole host of factors. Based on my past research findings, I would argue that the interest rate hike is likely to have only a marginal impact on GDP growth. While the interest rate hike has slowed down private credit growth, it is hard to ascribe the sharp fall in private sector credit growth to the interest rate alone. The observed decline in the private investment rate and capital imports are more closely related to the substantial weakening of the investment climate due to a poor law and order situation, political uncertainties, energy shortages, continued high trade protection, high cost of trade logistics, and shortage of skills. The rapid slide in the growth

Regarding inflation, there are



VISUAL: SHAIKH SULTANA JAHAN BADHON

intention to keep the policy rate unchanged until inflation drops to three to five percent.

The slide in private sector credit growth has been sharp, from 9.8 percent in FY2024 to six percent in FY2025. This is concerning because of its negative implication for economic growth. Indeed, the decline in GDP and private investment growth, demand for capital imports, and growth of private sector credit are all interrelated. Together, they suggest that the economy may have entered a recessionary phase, which does not augur well for employment and poverty reduction.

The main focus here is to enquire about the extent to which these declining indicators of economic activities are related to the effort to control inflation through the interest rate policy. Is there a trade-off between inflation control and GDP growth?

A fully satisfactory answer to these questions requires the use

of private sector credit is partly an outcome of this weakening of the investment climate.

Policy attention must shift to address these concerns. Once the investment climate improves, it is very likely that private sector credit growth will recover even with the current interest rate policy. Credit demand depends on profitable investment opportunities. The investment climate is the most important determinant of this. Interest rate is an important cost variable. At 12 percent, the interest rate looks high, but this is partly due to high inflation. Adjusted for inflation, the real borrowing rate is around four percent, which is no higher than real interest rates in India, Sri Lanka, Pakistan, Indonesia, Vietnam, and many other comparable middle-income countries.

As inflation eases, it should be possible to lower the BB's policy rate that will help lower the nominal borrowing rate for bank customers.

## Don't let our children grow up amid garbage



Naziba Basher  
is a journalist at The Daily Star.

NAZIBA BASHER

Every morning in Dhaka, waste-carrying vans rumble past homes and shops, collecting what we discard. Behind those familiar vans, there are children in rubber boots too large for their feet, children with bandaged fingers, coughing through the stench. Children who have never seen the inside of a classroom.

Recently, *The Daily Star* published a report titled "Childhood buried in trash," and the data was no less than shocking. The correspondent visited five Secondary Transfer Stations (STSs) across Dhaka, where household waste is temporarily dumped before being moved to landfills. In every site, there were underage workers, some not even teenagers, sorting rotten waste and breathing toxins with practically no safety gear.

The Dhaka South City Corporation has 66 STS units, while Dhaka North has 53. Nearly all are managed privately, not directly by the city corporations. This arrangement allows everyone, from officials to outsourcing firms, to wash their hands of responsibility. Because after all, the children are not 'officially' hired.

Because after all, the children are not "officially" hired. And so, the real number of children working in such places is unknown as there is no official data. But they are there, we pass by them every day, but we rarely ask why.

Most of these children come from urban slums or rural districts. Robin, now 18, dropped out of school when he was a Class 5 student; he now works at two STS sites in Kalabagan and Dhanmondi. Shadhin, 13, came from Sherpur and earns Tk 6,000 a month, sending part of it home and using the rest to feed himself.

Some of these children are filling in for sick parents, while some are sole breadwinners. But none of them should be.

The 2022 National Child Labour Survey, conducted by the Bangladesh Bureau of Statistics with support from the International Labour Organization, found that 35.4 lakh children between the ages of 5 and 17 years are economically active. Of them, 17.8 lakh are trapped in child labour. Nearly 10.7 lakh children are

involved in hazardous work that is illegal for anyone under 18 years of age, according to Bangladeshi law. These aren't faceless numbers. These are the children who scrub the dishes at roadside restaurants, who work with dangerous tools at workshops, and who collect our garbage.

Families don't send their children to work because they want to. They

**The Dhaka South City Corporation has 66 STS units, while Dhaka North has 53. Nearly all are managed privately, not directly by the city corporations. This arrangement allows everyone, from officials to outsourcing firms, to wash their hands of responsibility. Because after all, the children are not 'officially' hired.**

do it because poverty is ruthless. They have to decide to rob their children of a childhood because school doesn't always put food on the table, because when rent is due and rice is running out, the cost of surviving today outweighs the promise of tomorrow.

We have allowed these children to become invisible. The laws exist only on paper.

Bangladesh passed a National Child

Labour Elimination Policy in 2010, followed by a National Action Plan for the Elimination of Child Labour in 2021, to eliminate hazardous child labour. But the country still has no standalone child labour act.

Several sections of the Bangladesh Labour Act, 2006 ban hazardous child labour. Yet, children continue to be exposed to used needles, broken glass, industrial toxins, and medical waste while collecting garbage. These exposures lead to chronic respiratory issues, skin diseases, and dangerous infections like hepatitis B, tetanus or even HIV. For these kids, injury is routine, immunity is compromised, and the repercussions are lifelong. We can't call this neglect anymore. It is outright abandonment.

It is high time we stopped drafting policies and started enforcing the law because we need real legal consequences for employers, city contractors, and guardians who knowingly endanger children. While accountability must be ensured, the state must invest in meaningful social protection for low-income families: free school meals, conditional cash transfers, and vocational training for parents. A small subsidy can be the difference between a child going to school or sorting trash.

And finally, we, the people, must open our eyes. Behind clean streets might be a child we have trained ourselves not to see. The streets might be clean, but is our conscience clean enough?