Development Letters

Editorial Team

Foreword

Development Letters is a new periodical that aims to promote ideas with important policy and practical implications for a developing country like Bangladesh. This publication provides a platform to introduce thought-provoking ideas on broad development issues through short and concisely-written articles that are comprehensible to policymakers and development practitioners.

Development Letters is different from other established academic journals in several respects. First and foremost, it emphasises on communicating the propositions in a manner that can help integrate senior policymakers and other relevant stakeholders into the policy discourse. Disseminating potentially important and timely ideas without being stifled by technical details and unnecessarily long and ambiguous review of other studies is one core objective of this publication.

Furthermore, *Development Letters* will also select and publish ideas that should require full-blown research for gathering evidence. These days, policy-relevant analytical studies are often in short supply given the lack of financial support needed for conducting those. This journal will showcase the underlying ideas that need to be supported to bridge the gap between analytical research and informed policymaking.

Development Letters will also offer an opportunity to learn from those who–based on their experience–can share insights into the factors that cause development results to be less than optimal. This can help generate invaluable lessons for future interventions.

Finally, *Development Letters* is about dealing with issues that are topical and demand immediate policy attention. It is a usual phenomenon in social sciences that empirical research can be quite time-consuming, and any evidence gathered may require further verification. This publication will duly acknowledge this challenge while highlighting the promising ideas that need consideration. To summarise, this periodical focuses on bringing together relevant issues, ideas, and approaches that can be researched, refined, experimented, and investigated further.

This present issue contains 10 articles that include, amongst others, some practical ideas on tackling vaccine hesitancy, measuring economic progress through experiential indicators, utilising artificial intelligence for national budget implementation, improving the welfare of migrant workers, labour market issues in the ship breaking industry, curbing single-use plastic pollution, and potential impact of tariff liberalisation under free trade agreement (FTA) situations.

Research and Policy Integration for Development (RAPID) and The Asia Foundation remain committed to promoting multidisciplinary socio-economic research with practical implications for generating informed policy-inputs and improving the implementation of development activities. *Development Letters*, in this regard, should play an important role. After tremendous socio-economic achievements of the past decades, the Bangladesh economy is now at a critical transition phase marked by its elevation to a lower middle-income country (since 2015) and impending graduation from the group of least developed countries. While these transitions are already challenging, the COVID-19 global pandemic threatens to cause a dent on the past progress. It is in this context that the policy discourse on socio-economic development ideas becomes more critical than ever. *Development Letters* aims to contribute to this process by providing some timely and potentially worth considering ideas.

Abdur Razzaque, PhD
Editor-In-Chief, Development Letters
Chairman, RAPID

Kazi Faisal Bin Seraj
Country Representative
The Asia Foundation, Bangladesh

Measuring Economic Progress through Experiential Indicators of Wellbeing

Adnan Zillur Morshed

That gross domestic product (GDP) is an inadequate measure of a country's progress is no longer news. The awareness of GDP's shortcomings in revealing a nation's state of development is now almost mainstream. The driving mantra that "anything that can be measured can be improved" has been faulted for excessive linearity and misleading objectivity. A year after winning the Nobel Prize in Economics in 1998, Amartya Sen published Development as Freedom. The book starts with this straight-shooting statement: "Development can be seen... as a process of expanding the real freedoms that people enjoy. Focusing on human freedoms contrasts with narrower views of development, such as identifying development with the growth of gross national product, or with the rise in personal incomes, or with industrialisation, or with technological advance, or with social modernisation."

A decade later, in 2009, three economists—Sen, Joseph Stiglitz, and Jean-Paul Fitoussi—led a groundbreaking study on alternatives to GDP, commissioned by the then French president Nicolas Sarkozy. Then, after more than a decade of contestations and, now, in the wake of a global pandemic that has both revealed and magnified the systemic social inequities across the world, measuring a nation's progress in a holistic and meaningful way seems more urgent than ever before. Meanwhile, since 1972, Bhutan has been promoting a "gross national happiness (GNH)" index as a way to balance the influence of modernity and the preservation of tradition with a Buddhist ethos of compassion, contentment, and calmness. After the 2008 financial crisis, the world took a serious look at GNH as a viable alternative to growth-centric development models.

Ironically, when in 2017, the United Nations released a report ranking countries by happiness, Bhutan came 97th, while Norway claimed the title of the happiest country. Lately, the people of Bhutan have not been unified in their country's self-branding as a "happy country." A Bhutanese radio host summarised the rising cynicism within the country this way: "The idea of GNH may have put Bhutan on the map, but the concept has been hijacked by the West—and quantified to a degree that makes it unrecognisable to ordinary Bhutanese."

Measuring happiness remains elusive due to its disconcerting range of subjectivities—from happiness as personal emotion at a particular time (e.g., I am feeling happy because I had an ice cream today) to happiness as a cognitive evaluation of something (I love riding the commuter train because it brings me to my destination safely and punctually every day). Many experts have been talking about "wellbeing" as a more inclusive and sustainable metric than the ones that predominantly focus on measurable indicators such as per capita income. Consider this: Bangladesh's per capita GDP is nearing $2000. Bangladesh is now the third fastest growing economy in the world. A paltry $8.75 billion at the time of its independence, its economy is expected to reach nearly $500 billion by 2025. The world appears to consider Bangladesh a success story. This is great news.

However, the experience of impressive national development in the country's everyday life is considerably uneven. If you ask a woman on the way to work near a bus stop in Dhaka about how her life is these days, she may answer you like this: life is much better than before since I can make ends meet, but my house rent is too high and finding an affordable, quality primary school for my children is a constant struggle. Besides, I am always anxious about being sexually harassed on public transportation.

If seven out of 10 random respondents on the street express more or less the same feeling, then there is a serious policy need to come up with new indicators of the quality of everyday life. This, of course, does not mean that GDP is obsolete. The argument here is that the conventional indicators should be complemented with other types to understand the effects of national development on daily lives.
.

Experiential Indicators of Wellbeing: Some Ideas

How should policymakers recalibrate prevailing metrics to assess conditions on the ground? The experience of daily life can be measured with a combination of quantitative (air quality) and qualitative metrics (use of zebra crossing as a street safety tool). Could supra-indicators like GDP or other health measures be complemented by what could be called "experiential indicators?" (I focus here only on cities; there should be indicators for rural wellbeing too). The following experiential indicators could be considered.

Footpath and Walk Score: People of all economic classes and gender should be able to use footpaths comfortably, safely, and pleasurably. Footpaths must have adequate width to facilitate a two-way pedestrian traffic and be free of obstructions. Many cities now use Walk Score to measure the walkability of an address. Walk Score is based on how long a person needs to reach a nearby urban amenity (such as a park or a hospital or a metro station). The highest score is awarded to an address where an amenity is reached in five minutes by walking, while zero point is given to those that have facilities requiring more than a 30-minute walk. A "walker's paradise" has a Walk Score of 90-100. Walkability makes a city humane, democratic, and healthy. It represents an urban area's state of wellbeing and the best weapon against oligarchic segregation of the city.

Public transportation: It is now common wisdom that the backbone of sustainable urbanism is mass transit because it is the most cost-effective and environment-friendly way to facilitate urban mobility. Cities use Transit Score to measure how well a location is served by mass transit It is calculated by the usefulness of public transport in terms of the routes used, frequency of service, and accessibility to the nearest station on the route. The forthcoming elevated metro in Dhaka should be an opportune moment to institute Transit Score as a measure of urban wellbeing in Dhaka.

Waste management: Going around in the streets of Dhaka or any other big city in Bangladesh, one would face the inevitable environmental calamity: the rotting solid waste on the street We have a precariously low public hygiene threshold for reasons that require national debates and robust anthropological studies. With Bangladesh's rapid urbanisation, the total solid waste generation in cities is expected to reach up to 47,000 tons per day by 2025. If 50 percent of Dhaka's daily solid waste remain uncollected on the streets, how would GDP reduce the stench? We need Solid Waste Management Score (SWMS) to measure the state of public health in a location. If I go to Lalmatia to rent a house, I should be able find out the area's SWMS and then decide whether I should rent there or not

Access to green and natural environment: Nature is therapeutic. Urban greenery are our best and cheapest public-health infrastructures that rejuvenate us and keep us healthy. Liveable cities create miniature forests as urban oases, building an ecosystem of trees, birds, wind, air, smell, and quiet A green park can create Zen moments, lowering the mental stress of hectic city life. City corporations and municipalities should start using the Urban Neighbourhood Green Index (UNGI) to assess the quantity and quality of green spaces at the neighbourhood level. Neighbourhood competitions to improve UNGI should have an impact at a city scale. The fruits of economic growth must be experienced in our daily lives.

Quality of public space: A city without accessible, pedestrian-friendly, and democratic public spaces is like a room without a window, suffocating, claustrophobic, and unhealthy. Public spaces nurture community spirit among urban inhabitants. If you are in Barcelona for the first time as a tourist, you are most likely to visit Las Ramblas before finding out Spain's GDP. Most "public spaces" in Dhaka are street nodes like Shahbagh intersection, TSC intersection, or Manik Mia Avenue. None of these nodal places are designed as safe and healthy public spaces. What would be Dhaka's Public Space Index?

Internet accessibility: The global competitiveness and digital democracy of cities will increasingly be determined by their access to broadband. Almost a quarter of urban Americans—23 per cent or 62 million people—do not have broadband access. In Brazil it is 38 per cent, India 31 per cent, and Germany 11 per cent According to a survey conducted by the Bangladesh Bureau of Statistics in 2019, in Bangladesh, 62 per cent of households do not have internet access at home. The reasons for this disparity are quality of the internet, affordability, IT literacy, and socioeconomic conditions of a country. In a post-pandemic world, the measure of a city's digital democracy will be one of the ways to determine its liveability and wellbeing. The quality of the virtual space will be as important as the physical space. However, measuring the adverse effects of excessive online usage, particularly social media, on people is equally important

As we celebrate the 50th anniversary of Bangladesh's independence and introspect on its progress, it would be prudent to be creative about experiential indicators to measure the state of our development on the ground rather than blindly trusting trickle-down economics. It is also important to measure the environ-

mental and social costs of development. Not an end in itself, development must be assessed (both quantitatively and qualitatively) for the quality of its effect on people's lives, while the very notion of development must be open to public reasoning. On the flip side, blanket criticism of "development" has lately become a popular middleclass pastime and a biased prop for government-bashing. What we need is objective assessments of, among others, the effects of a flyover in mitigating traffic congestion in the metropolis or quality of community-building through the restoration of urban parks or economic dividends of the Padma bridge.

A version of this article was published by The Daliy Star on 6 April 2021.

Adnan Zillur Morshed, PhD, is an architect, architectural historian, and professor. He teaches in Washington, DC, and also serves as executive director of the Centre for Inclusive Architecture and Urbanism at BRAC University.

Email: morshed@cua.edu

"It would be prudent to be creative about experiential indicators to measure the state of our development on the ground rather than blindly trusting trickle-down economics."

Assessing Single-Use Plastic Policies: The Case of PET Bottles

Khandker Tarin Tahsin & Raisa Bashar

Plastics: From Friend to Foe

Since the mid-1940s, plastic has garnered positive attention due to a myriad of its user-friendly characteristics, which included durability and affordability (National Research Council, 1994). Unfortunately, at present, these exact features are what have made plastics one of the most dangerous pollutants across the world (Plummer, 2018). This is reflected by the fact that annually, 299 million tons of plastics are made, out of which only about 9% is recycled, while the rest are dumped unabashedly in landfills and water bodies (Li et al., 2016). The recycling process is further hampered by the fact that many plastics are viewed as single-use, such as polyethylene terephthalate (PET) bottles used as beverage containers; they can also be easily reused, but seldom are. Sadly, Asia, which houses a considerable share of lower and middle-income countries, including Bangladesh, is the most significant contributor of single-use plastic pollution at 47 per cent (UN Environment, 2018). Single-use plastic (SUP) pollution, especially that caused by unplanned PET bottle disposals, is a raging problem in Bangladesh, as it is transitioning from a least developed country to a developing one (Byron and Mirdha, 2021), and so, like its predecessors have lax public awareness for environmental protection, inefficient anti-pollution laws and the zeal to use cheap and quick methods to get higher profits (that plastic provides).

PET Bottles and Recycling

Over the past two decades or so, 17 billion PET bottles have been recycled in Bangladesh (Islam, 2014). Although the number was large enough for the country to have received positive market attention at the domestic and international levels, the consumption tallies painted a dire picture; only one-fifth of the total consumed were made from recycled plastic, while the rest were novel and made from imported granules (Islam, 2014). Furthermore, according to the Panjiva S&P Global Market Intelligence report of 2019 there are 31 producers (and consequent polluters) of PET bottles in Bangladesh. Of these, five producers– Pran Dairy Ltd, Pran Agro Ltd., Bangla Millers Ltd, Agricultural Marketing Co Ltd., and Pran RFL center – are contributing around 71 per cent of the total production; they also export to the US. The gigantic increase in consumption was witnessed when it was reported that between 2011 and 2017, per head plastic consumption went from just 5kgs/year to 17.24kgs/year, most of which composed of SUPs like PET bottles and plastic bags (Ahamad, 2019). This amount is not reflective of the LDC status that Bangladesh possessed and unfortunately, studies to understand why such a devastating phenomenon took place from a legal point of view are scarce in the existing literature.

The study which prompted this article concentrated on the single-use plastic called PET bottles, because interestingly, although it is one of the most ill-managed, it is also the highest recycled in the country. Still, laws governing the different stages of its life-cycle, namely acquirement of raw materials, production, distribution, consumption and disposal, are full of loopholes: hence, this durable product's numbers in the environment, especially in the marine ecosystems is increasing several folds every day. Surprisingly, although PET bottle recycle is supposed to be beneficial to the environment and economy simultaneously, recycling plants have not been able to acquire the right funding,

protection or legislation to generate profits (UNESCAP, 2011). So, where in the law lies the problem? A review of relevant literature (reports, newspaper and journal articles, book chapters, etc.) from 1987 to 2020 and the book titled, "Laws Regulating Environment in Bangladesh (2014)" by Bangladesh Environmental Lawyers' Association (BELA) and key informant interviews with plastic, SUPs and plastic pollution experts across the country have yielded the weaknesses and helped the authors propose ways forward.

The Weaknesses in Select Laws

From the eighteen sectors that were identified (needing attention to strengthen the existing laws or add missing ones), three sectors namely, health, food and consumer protection; water resource; and forestry yielded several weaknesses across the five stages of that a PET bottle goes from cradle to grave. Under the first two stages, continued allowance of plastic resin (deemed extremely harmful to wildlife and non-biodegradable (Mato et al., 2001); banned in several countries) into the country and negligent laws to restrict riverbank PET bottle industries, are the country's biggest command and control flaws. Next, the vague and non-specific laws to distribute PET bottles in limit by the local authorities and the lack of controlled measures (like quota, taxes, etc.) to limit consumption of it have contributed to the existent SUP pollution around the cities. Lastly, low incidences of actions against major PET bottle polluters and lack of direct warnings and penalties for tourists/travellers visiting fragile ecosystems and travelling via water bodies are some of the loopholes of the existing laws governing the disposal stage of SUPs, especially PET bottles.

Way Forward: Curbing the Pollution

This type of pollution has come about over the course of several decades. The weaknesses identified require urgent policy action. Few policy recommendations are outlined below:

- ▸ Using a double-sided practice of incentives and disincentives: taxing plastics, especially PET bottles, and raw materials for producing plastic products like plastic resins, and their producers, distributors, and consumers (simultaneously), while subsidizing and giving rebates to research and production of biodegradable alternatives. Additionally, enacting a separate Act like the Bangladesh Environment Conservation Act of 1995, with sub sections to address legislative shortcomings starting from the acquirement to the disposal;

- ▸ Initiating regional treaties (supplementing the existing ones) with the upper riparian countries pledging plastic clean-up programs and allocating fund for such programs to protect marine ecosystems;

- ▸ Sanctioning acts, like signing regional treaties among themselves to distribute the cost of cleaning, associated with marine plastic pollution (just as they signed treaties for sharing the benefits of marine ecosystems) among the South Asian Association for Regional Cooperation (SAARC) countries;

- ▸ Penalising polluters effectively (with large-enough amounts) and using these revenues for clean-up programs and building structural solutions to the ongoing plastic pollution via sewers and canals;

- ▸ Initiating provisions like tax rebates for commercial and residential complexes that segregate wastes, which in turn will catalyse the recycling process, especially that of PET bottles; and

- ▸ Using mapping (and using census data) to target the asymmetrical distribution of PET bottle pollution among cities and industries, to allocate economic disincentives using local authorities.

It is also important to note that PET bottle use brings in lots of profits for the economy, and so do other types of SUPs. So, strict deadlines to phase out these harmful products and move to biodegradable substitutes are also recommended. PET bottle and single-use plastic pollution is, at large, a multiple-polluter problem. Hence, a pragmatic approach to address this challenge would require devising appropriate laws that target every stage of the PET life-cycle and associated stakeholders, and ensuring strict enforcement of laws.

References

Ahamad, R. (2019, September 1). Plastic pollution poses threat to Bangladesh. *New Age Bangladesh*.

Byron, K. R., & Mirdha , U. R. (2021, February 28). Becoming A Developing Nation: Bangladesh reaches A Milestone. *The Daily Star*.

Farooque, M., & Hasan, S. R. (2014). Laws regulating environment in Bangladesh. *Bangladesh Environmental Layers Association, Dhaka*.

Islam, M. S. (2014). Prospects and Challenges of Plastic Industries in Bangladesh, 01(01).

Li, W. C., Tse, H. F., & Fok, L. (2016). Science of the Total Environment Plastic waste in the marine environment: A review of sources , occurrence and effects, 567, 333–349. Retrieved in February 2021 from: https://doi.org/10.1016/j.scitotenv.2016.05.084

Mato, Y., Isobe, T., Takada, H., Kanehiro, H., Ohtake, C., & Kaminuma, T. (2001). Plastic resin pellets as a

transport medium for toxic chemicals in the marine environment. *Environmental science & technology, 35(2),* 318-324.

National Research Council (US). National Committee on Science Education Standards, & Assessment. (1994). *National Science Education Standards: Draft for Review and Comment Only.* National Research Council.

Panjiva S&P Global Market Intelligence. (2019). *Bangladeshi Manufacturers of pet bottles and Suppliers of pet bottles.* Retrieved in January 2021 from Panjiva S&P Global Market Intelligence: https://panjiva.com/ Bangladeshi-Manufacturers-Of/pet-bottles

Plummer, R. (January 2018). Plastic fantastic: How it changed the world. *BBC News.* Retrieved in March 2021 from: https://www.bbc.com/news/business-42646025

UN Envionment. (2018). *Single Use Plastics: A Roadmap for Sustainability.*

UNESCAP. (2011). *Enabling Environment for the Successful Integration of Small and Medium sized Enterprises in Global Value Chains.*

Khandker Tarin Tahsin is a postgraduate student at the Asian Institute of Technology (AIT), Thailand and is pursuing an MSc in Marine Plastic Abatement; she has investigated the article topic in-depth as part of her Bachelors thesis in 2019/20.

For correspondence, email at tarinkhandker@gmail.com.

Raisa Bashar is currently pursuing a doctorate at the University of Surrey, UK's Centre for Environment and Sustainability (CES) and is on leave from her post of Senior Lecturer at the Department of Environmental Science and Management, North South University, Bangladesh.

"PET bottle and single-use plastic pollution is, at large, a multiple-polluter problem. Hence, a pragmatic approach to address this challenge would require devising appropriate laws that target every stage of the PET life-cycle and associated stakeholders, and ensuring strict enforcement of laws."

Manoeuvring an India-China Balancing Act

Rudabeh Shahid & Arafat Kabir

On 26 March this year (2021), Bangladesh hosted the Indian Premier as the guest of honour to celebrate the country's 50th anniversary as an independent nation. News of his visit, however, angered both leftist and Islamist sections in Bangladesh, apparently due to the Indian premier's record on minority rights. Protests followed and these demonstrations turned violent. Rarely does a visit by a foreign leader result in scores of deaths in the host country, and it is almost unheard of when the two countries are close friends. The violent demonstrations in Bangladesh should have served as a wake-up call for India.

Instead, New Delhi chose to overlook them, calling the "riots the doings of the fringe Islamists elements". Nevertheless, a deeper look into the events during that time reveals a more complicated picture, an interplay between lingering frustrations over many policies of the Indian government and Bangladesh's growing ties with China. Such trends are likely to continue over the next fifty years as Bangladesh looks to manoeuvre its economic progress in partnership with the two Asian rivals.

Schisms in India-Bangladesh Relations

Given their shared past and geographic proximity, India features prominently in discussions about Bangladesh's future. Yet, the unflattering spectacle that unfolded in late March draws a stark contrast between intergovernmental relations and people-to-people ties. Why certain segments in Bangladesh are disenchanted with India, despite a purportedly robust friendship between the two governments, is as much an academic question as a policy one.

One popular explanation in Indian media is the alleged role of Pakistan in planning and funding these anti-Modi protests. These allegations are based on trying to draw links between the Hefazat-e-Islam leadership, the Islamist group that primarily instigated the violence, and the Bangladesh Nationalists Party (BNP) and Jamaat-e-Islami — two Bangladeshi political parties which are deemed to have pro-Pakistan leanings. However, reports coming out of Bangladesh suggest otherwise. The lack of control by the Hefazat-e-Islam leadership over their field activists is the likely reason why the protests grew out of control. Moreover, even if Pakistan was somehow able to coordinate with Hefazat, it is implausible that Bangladeshi left-wing parties also protested Modi's visit at Islamabad's behest.

Hence, growing anti-India sentiments can hardly be explained as something limited to Islamist factions. One does not need to look far back to find out why. Two relatively recent issues related to India's citizenship laws, i.e. the National Register of Citizens (NRC) and the Citizenship Amendment Act (CAA) caused alarm in Bangladesh. Some civil society members are fretful about their ramifications. Many in Bangladesh fear that the outcome of the NRC in the north-eastern Indian state of Assam might spark another influx of refugees. Given that Bangladesh already hosts the majority of Rohingya Muslims, who fled brutal persecution in Myanmar, there seems to be a precedent already. Additionally, India's CAA that grants fast track citizenship to non-Muslim minorities facing persecution in India's neighbouring countries is another thorny topic. Some in the ruling elite view, it is an indictment of Bangladesh's record in maintaining inter-communal peace.

The incendiary rhetoric employed by India's ruling party, Bharatiya Janata Party (BJP), against its eastern neighbour also adds to frustration in Bangladesh. The

rhetoric of BJP politicians is based on the notion that there is a large number of undocumented Bangladeshis living in India. While it is indeed true that many Bangladeshis had gone to India for economic reasons, now with Bangladesh enjoying better economic indicators than India, this assertion can be put under scrutiny. A BBC fact-checking report in 2020 puts it succinctly: "with no real data available for the numbers, politicians in India still insist that illegal immigrants from Bangladesh are taking away their jobs." The Bangladeshi blogosphere is often abuzz with debates about their country's relative gains vis-à-vis their heavyweight neighbour. The unresolved water sharing of joint rivers, deaths of Bangladeshi citizens at the hands of Indian security forces at the borders, and trade restrictions maintained by India against Bangladeshi traders all take their turn. Protests during Modi's visit were simply an outcome of such pent-up frustrations and an occasion to express sentiments about reducing dependence on India.

Not Putting All Eggs in One Basket

As not to appear to be too friendly with India, there are signs that the ruling Awami League party is taking a more transactional stance toward New Delhi. The growing bonhomie with Beijing is one manifestation of that development. For example, last year, China announced that it would grant duty-free access to 97 per cent of Bangladesh products in its market. Indeed, China is now Bangladesh's largest source of foreign direct investment (FDI) and its primary international trading partner. Ironically, Bangladesh's solid ties with China defy historical uneasiness between the two countries. Mao's China staunchly opposed Bangladesh's creation in 1971 and delayed officially recognizing the state until 1975. However, today China's opposition to Bangladesh's War of Independence hardly registers in the collective psyche of the country. Surprisingly, there is also no significant grievance against the Chinese treatment of Uyghur Muslims as compared to complaints against the treatment of Muslims in India. Bangladeshis are disappointed over China's continued support for the Burmese junta on the Rohingya issue but not enough to have prompted calls for their government to reassess the country's relationship with China.

It is not that China is writing unconditional checks to Bangladesh for earning the latter's goodwill. Recent history, however, shows that China stood by Bangladesh at critical times. After World Bank-led financiers withdrew in 2012 from the Padma Bridge project, a desperate Dhaka found solutions in Beijing. Over the years, Dhaka has also become a big buyer of Chinese arms. China is Bangladesh's largest source of weapons purchases and the country is also the second-largest recipient of Chinese arms exports only behind Pakistan. Yet, this closeness to Beijing does not mean that Dhaka is moving from one primary partner to another. Unlike its South Asian neighbours like Pakistan and the Maldives, Bangladesh has not yet succumbed to the

'Chinese debt trap'. At times, it does not hesitate to play off China with other development partners, especially Japan, which is developing critical infrastructure projects such as the Matarbari deep seaport, power plants, and a new airport terminal.

Bangladesh's delicate balancing strategy, which involves moving away from being overly dependent on India, has been long in the making. Two examples from recent times illustrate how Bangladesh was forced to learn (the hard way) lessons of overdependence. In 2019, India's sudden decision to restrict the export of onions due to domestic shortages led to the price of the necessary food items skyrocketing in Bangladesh. Even Prime Minister Sheikh Hasina, during a trip to New Delhi, expressed her displeasure in her trademark wit, quipping "it would have been better if I was told earlier that we won't be getting onions from India, as I could have imported from other countries. But now, I have to instruct my chef to cook without onions". Another challenging situation appears to be unfolding with COVID-19 vaccines. Developed by the United Kingdom's University of Oxford and AstraZeneca, and produced in plants operated by India's Serum Institute and marketed as Covishield, Bangladesh had purchased them a few months ago through a tripartite deal. Due to India's spike in COVID-19 infections, it has expressed its inability to deliver the second consignments of vaccines. In a last-minute attempt to contain the impending disaster, Dhaka has had to scramble to seek assistance from Beijing and Moscow.

Continued Balancing for the Next 50 Years?

If China responds to Bangladesh's urgent call for help, it will only reinforce the established trend. For now, Dhaka has learned to keep faith in Beijing, which is most evident in Bangladesh's reluctance in joining the Quad Security Initiative. The Quad was initially established in 2007 as a medium for strategic dialogue between the United States, Australia, Japan, and India and lately, is shaping up as an anti-China bloc. Bangladesh's refusal to join is likely to complicate the grouping's aim of shoring up support among the Bay of Bengal countries for meeting its objectives.

Bangladesh's thriving relations with China do not exist in a vacuum. They certainly cannot flourish at the expense of India, which has expressed worries at this development. Cultural ties between Bangladesh and India, especially the shared linguistic heritage with the state of West Bengal, transcend time and borders, however, complacency among policymakers is real. The well-known Bangladeshi-British author Tahmima Anam aptly captured this dynamic in a Guardian op-ed. She argued that even though "none of these [contentious outstanding] issues stops Bangladeshis from embracing our neighbour's prolific cultural exports", there remains a need to "work towards a relationship of mutual respect".

Perhaps this mutual respect is what Dhaka finds in its relationship with Beijing, in both actions and words. As Bangladesh strives to maintain robust economic growth, this balancing between the two Asian behemoths becomes crucial. Dhaka needs the support of both, which cannot be gained at the expense of irking the other. Therefore, balancing will only become more delicate in the years to come, and only time will show if this balancing game is played with tact and consideration.

A version of this article was published by the 9DASHLINE.com platform on 2 June 2021.

Rudabeh Shahid, PhD, is a Visiting Assistant Professor of Political Science at the New College of Florida and a Non-resident Senior Fellow at the Atlantic Council's South Asia Center.

For correspondence, email at rshahid@ncf.edu

Arafat Kabir is a business graduate student at Johns Hopkins University.

"As Bangladesh strives to maintain robust economic growth, this balancing between the two Asian behemoths becomes crucial. Dhaka needs the support of both, which cannot be gained at the expense of irking the other. Therefore, balancing will only become more delicate in the years to come, and only time will show if this balancing game is played with tact and consideration."

Revenue Implications of Free Trade Agreements

Abdur Razzaque and Jillur Rahman

Background and Issues

Bangladesh's fiscal regime is highly dependent on international trade, specifically imports, for revenue generation. About one-third of total government revenue comes from imposing tariffs and other supplementary duties on imports. This makes it very difficult to use trade policy in improving incentives for exporters and in exploring new trade opportunities through bilateral and regional trade agreements where the country may have to undertake tariff cuts as part of reciprocity-based trade negotiations. As the economy has been growing fast, maintaining high tariffs (using custom duties and various other para-tariffs) makes investments in import-competing sectors more lucrative than in export sectors, which cannot be supported with an equivalent policy-backed assistance.

Over the past two decades or so, Bangladesh has made impressive progress in expanding its trade volume. Since 1990's Bangladesh's total merchandise import increased from less than $4 billion to $61 billion in 2018-19 (Figure 1) – experiencing an average annual growth of 10.8 per cent Analysis of NBR data shows that total revenue earned by applying tariff on imports in 2018-19 stood at $7.7 billion (Figure 2). A significant portion of imports in Bangladesh comes through bonded-warehouse facilities and are exempt from customs and associated duties[1]. In 2018-19, more than a quarter of imports were duty-free – coming through bonded warehouse facilities (i.e. bond for deemed export and supervised bond, and special bond for export-oriented industries in readymade garments sector) or EPZ imports.

Figure 1: Bangladesh's total imports and its growth rates

Figure 2: Import revenue in Bangladesh (million $)

Source: Authors' presentation based on NBR data.

---
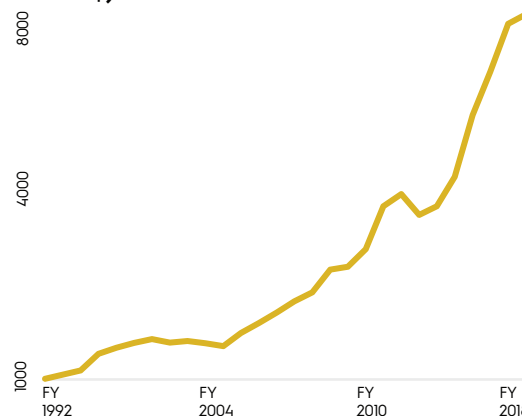
[1] The government of Bangladesh offers bonded warehouse facilities to the export-oriented industries for duty free imports of raw materials and packaging materials to facilitate exports.

Compared to many other comparator countries, Bangladesh has maintained much higher import tariffs (simple average of MFN tariff stood at 14 per cent in 2020). Along with customs duty, the tariff regime is characterised by supplementary duty, regulatory duty, advance income tax, advance value-added tax (VAT), and other duties. These para-tariffs constitute almost a half of the nominal protection rate of more than 26 per cent The high dependency on the import revenue makes it very difficult to use trade policy in improving incentives for exporters and in exploring new trade opportunities through bilateral trade agreements and regional trade agreements (RTAs) where Bangladesh may have to undertake tariff cuts because of reciprocity-based trade negotiations. The cross-country evidence suggests that as a country makes progress on its economic development, it is quite natural that the country will not be able to maintain the high protective tariff. As Bangladesh is set to graduate from the group of least developed countries (LDCs), it will need to establish bilateral trade agreements to continue with the current preferential market access conditions after graduation. Any tariff cuts resulting from agreements with important trade partners would lead to apprehension about the likely loss of tariff revenues. In fact, as Bangladesh is set to graduate from the group of LDCs, further trade liberalisation for promoting exports striking FTAs vis-à-vis the prospect of tariff revenue loss marks a fundamental dilemma in the country's contemporary trade and development policy discourse.

Empirical investigations in the literature suggest that trade liberalisation through tariff cuts can have an ambiguous relationship with import revenue. The final impact on tariff revenue depends on the price elasticity for the import demand and the elasticity of substitution for imported goods. If either demand elasticity of imports or price elasticity of supply of import substitutes are sufficiently high, the revenue should increase at the later stage of liberalisation (Ebrill et al. 1999 and Agbeyegbe et al. 2006).

In this backdrop, we undertook a study for the Ministry of Commerce under the project Bangladesh Trade Policy and Negotiation Capacity Building Support Project Phase I. The study attempts to estimate the potential impact of tariff liberalisation under free trade agreement (FTA) situations with major trade partners on government revenue in Bangladesh. The study uses ex-ante analyses in partial and general equilibrium frameworks. The World Integrated Trade Solution (WITS) SMART partial equilibrium and the Global Trade Analysis Project (GTAP) general equilibrium models are used for empirical investigations.

Results and Discussions

The partial and general equilibrium simulations suggest that the largest import flows would occur for FTAs with China and India – Bangladesh's two largest import partners. Consequently, the revenue loss would be the highest The partial equilibrium model results indicate Bangladesh could lose 27 per cent of baseline revenue for each FTA. The general equilibrium results show the revenue loss in case of a Bangladesh-China FTA would be around 60 per cent of baseline revenue or 1.2 per cent of GDP; the same result for a Bangladesh-India FTA is 22.9 per cent of baseline revenue and 0.5 per cent of GDP.

According to the WITS/SMART simulation, a 5.8 per cent loss in revenue would be incurred with full tariff liberalization under an FTA with the European Union; and the impact would be 5.7 per cent for an FTA with Thailand. The corresponding figures as estimated from GTAP model are 5.4 per cent and 4.1 per cent, respectively.

For the Bangladesh-US FTA, the partial equilibrium simulation suggests Bangladesh could lose 1 per cent in revenue. However, the GTAP-based general equilibrium model indicates a completely different picture. It indicates that reverse trade diversion (i.e. trade creation) for non-member trade partners could occur in the case of an FTA with the United States. Consequently, there are positive revenue implications equivalent to 4.3 per cent of baseline revenue. It also provides maximum welfare gain for Bangladesh among all the FTAs that have been considered as part of this study.

The Bangladesh-Indonesia FTA and Bangladesh-Malaysia FTA could imply respectively 4.2 per cent and 2.8 per cent revenue losses for Bangladesh as simulated in the WITS/SMART model. The general equilibrium results indicate the loss to be 5 per cent and 4.1 per cent of the baseline revenue, respectively. The welfare implications are comparatively lower.

Both the partial and general equilibrium models suggest that Bangladesh's FTA with Brazil and the United Kingdom have relatively low revenue implications of less than 1 per cent each. They are the less important import partners (respectively 11th and 25th largest), which explains the low revenue impact. However, signing FTAs with these countries, particularly with the UK, could be important for continuing preferential access and expanding exports after graduation.

Implications

The simulation results suggest that FTAs with important trading partners will have significant revenue implications. However, this should not guide the trade policy options. The dependence on import revenue in the developed countries is low. Thus, revenue implications in those countries can be substantially lower.

Among others, bilateral FTAs with China and India will cause largest import flows. As they are the major

import sources, any FTA with these countries will erode import revenue substantially. As Bangladesh is one of the most protectionist economy imposing high tariff rates on imports, FTA with largest partners will give them a boost in their exports to Bangladesh. With high protectionist tariff regime, the large suppliers will enjoy most of the welfare arising from the FTAs. Thus, it is the biggest question – should Bangladesh rationalise its tariff structure before any bilateral agreement?

If Bangladesh signs an FTA with any country, leaving the MFN rates unchanged for non-members, the trade diversion will be quite bigger. In order to minimize trade diversion, the best possible options could be to cut down the MFN tariff to a meaningful level – which we call import tariff rationalisation. Again, it might have significant implications on government revenue. Simulation results using GTAP framework suggest that Bangladesh can loss about 7.6 per cent in revenue for a 10 per cent reduction in applied tariff rates. A 25 per cent reduction in import tariff across all products and for all countries can contract government import revenue 19.8 per cent. This implies that import revenue is inelastic to tariff rates – reduction in revenue is less than proportional to tariff change. Although, unilateral tariff cut has implications on import revenue, they are welfare enhancing from the consumer perspective.

Bangladesh's imports are highly dependent on East Asian countries aside from India and China. Data from the National Bureau of Revenue (NBR) show that about 17 per cent of imports are sourced from Association of Southeast Asian Nations (ASEAN) countries. Our simulation exercise suggests that a significant amount of import tariff revenue could be lost if Bangladesh signs an FTA with three biggest trade partners from ASEAN nations: Indonesia, Malaysia, and Thailand. On the other hand, the same model indicates Bangladesh could expand its overall exports by 3.2 per cent under full tariff liberalization with these three countries. Therefore, a part of import revenue loss can be compensated by expanded export volume.

For a country like Bangladesh, reducing revenue dependency will be highly important for trade policy flexibility. However, it has implications for government expenditure for large-scale infrastructure development. From this perspective, it is essential to strengthen domestic tax infrastructure to mobilise resources from domestic sources.

References

Agbeyegbe, T., Stotsky, J. and WoldeMariam, A. (2006). Trade Liberalisation, Exchange Rate Changes and Tax Revenue in Sub-Saharan Africa", Journal of Asian Economics, 17 (2) pp. 261 – 284.

Ebrill, L. P., Stotsky, J. G., & Gropp, R. (1999). Revenue implications of trade liberalization (Vol. 180). Washington, DC: International Monetary Fund.

Abdur Razzaque, PhD, is Chairman, Research and Policy Integration for Development (RAPID) and Research Director, Policy Research Institute (PRI) of Bangladesh.

For correspondence, email at m.a.razzaque@gmail.com

Jillur Rahman is Assistant Professor of Economics at Jagannath University and Research Fellow at Research and Policy Integration for Development (RAPID).

"For a country like Bangladesh, reducing revenue dependency will be highly important for trade policy flexibility. However, it has implications for government expenditure for large-scale infrastructure development. From this perspective, it is essential to strengthen domestic tax infrastructure to mobilise resources from domestic sources."

Problematics of Metagovernance: COVID-19 Cash Assistance to the Poor

Taiabur Rahman and Lamia Mohsin

A Pandemic with a Global and National Impact

The COVID-19 pandemic has not only unravelled existing persistent health inequalities around the world, but has also exposed socio-economic vulnerabilities in our societies. Given its multidimensional impacts across various fronts and sectors, the past one year of human coexistence with such a deadly virus has seen the heaviest impact on the lives of people living in deprivation, both in developing and developed country contexts.

Shifting the focus to the context of Bangladesh, a survey by two leading think tanks, the Poverty and Participation Research Center (PPRC) and BRAC Institute of Governance and Development (BIGD) revealed some alarming findings (The Daily Star, April 2021). The survey found that the pandemic resulted in a significant reduction of households' income, thus forcing a reversed exodus of a large portion of the urban population previously living in cities. Covid-19 triggered joblessness among these people and due to rising living costs, savings started to decrease while debts became higher. Keeping in mind Bangladesh's national target of becoming a middle-income country by 2031, a recent report by the Economic Relations Division (ERD) has recommended providing BDT 5,000 each in cash aid per month to poor households for 3-6 months a year till 2026 to bring down the poverty rate to 10 per cent

An Overview of Government Assistance Programs

Recently, as the country went into lockdown right before Eid-Ul-Adha, the government announced a relief package worth Tk 3,200 crore for the ultra-poor and distributed cash support worth BDT 450 crore to around 17.24 lakh day labourers, transport workers, and small traders. It is expected that the support will provide some relief to the destitute, as two weeks of a strict shutdown has been announced from July 23, after the Eid holidays. The government has already disbursed BDT 100 crore at the local level to the Deputy Commissioners (DCs) to provide food assistance based on requests to the national helpline 333. Funds allocated for the poor have been already disbursed towards each Union Parishad and City Corporation, indicating a positive progression towards administrative decentralization and deconcentration.

Another announcement was made before Eid-Ul-Fitr, that on behalf of the Prime Minister an 'Eid gift' of BDT 2,500 will be distributed among 35 lakh families affected by the pandemic, while one lakh farmer families whose crops were affected by the recent natural calamities (heatwave, storm and hail-storm) will be given one-time cash assistance of BDT 5,000. The local representatives and elects (Union Parisad/Upazilla Chairman or Ward Commissioners), upon receiving this money directly from the Deputy Commissioner's office, will transfer the

money to each beneficiary via Mobile Financial Systems (MFS).

The BDT 2,500 cash support program was first introduced on May 12 last year during the first wave of the Covid-19 pandemic, the Prime Minister inaugurated a program to provide cash assistance to 50 lakh families. Eventually, however, due to incongruities in the list of beneficiaries and technical lapses the money reached only 35 lakh, thus depriving the rest of 15 lakh.

An Unexpected Quandary

The decision to implement a tech-savvy way cash transfer was made last year (2020), and money was directly transferred using mobile banking applications and cross-checked with their National Identity Card (NID) numbers by the local government bodies. But discrepancy due to insufficient beneficiary data and technical issues such as incorrect PINs impeded the entire cash withdrawal process for many. There were numerous instances where the cellphone number of a single beneficiary appeared multiple times in the same list due to nepotism and nefarious rent-seeking practices by local government elects and their political aides.

According to reports (Prothom Alo, April 2021), the existing list contains more than 100,000 people also receiving benefits from other social security programs. In addition, as mentioned earlier, there are about 3 lakh people whose names have appeared more than once in the list. When cross-checked with the NID, it was discovered that there were 8 lakh 90 thousand 474 people whose mobile SIM was unregistered, thus making their numbers ineligible for cash transfer. Apart from this, the list included pensioners of the government, government employees, and owners of savings certificates worth more than BDT 5 lakh.

Analyzing the Root of Anomalies

The Department of Statistics and Information Management began to compile a list of the rich and the poor in 2013 to ensure that those identified as poor or ultra-poor received social security benefits allocated by the government (Prothom Alo, April 2021). Since then, the country is yet to see the list. In the wake of the COVID-19 pandemic, when the government announced in May last year that it would provide BDT 2,500 crore to 50 lakh families, the Statistics and Information Management Department informed that it was unable to provide the complete compiled list, stating that the foreign company contracted to do the task had delayed it due to the pandemic. As there was no list, misappropriation was rampant, and various allegations were made about the accountability of institutions assigned to ensure proper distribution of the money, including unjustified inclusion of affluent, well-to-do individuals. Considering these anomalies, the

cash transfer scheme was halted midway, resulting in around 15 lakh people being left empty-handed.

Lessons Learned and Way Out

Where on the one hand, money allocated as cash support for the poor remains idle, on the other, woes of those in desperate need of the money exacerbate. Turning a blind eye to major errors and irregularities during the beneficiary selection and lack of formulating and implementing appropriate policies to address systemic exclusion seriously undermine the cash-assistance programme. Experts are of the view that dealing with the governance issues will be critical to improve the implementation of cash-assistacnce scheme.

From a theoretical perspective, metagovernance can be a possible solution to the existing predicament. The concept of metagovernance advocates a pragmatic definition of governance incorporating the entirety of interactions in which the state, other government bodies, private sector and civil society participate (in one way or another), intending to solve public challenges or create public opportunities (Sørensen and Torfing, 2009). As an open, participatory democratic process, metagovernance facilitates the involvement of the private sector and NGOs, while placing the state at the helm as the anchor. It follows a style of umbrella-like state governance which is cognizant of other actors and stakeholders within the eco-system to ensure that no one is left behind (Cour and Andersen, 2016). Adopting the principles of metagovernance, the current challenges in the cash assistance programme could be addressed. In this connection, collaboration with NGOs who have a vibrant presence across the districts could be utilised.

The reality that more than 80 per cent of the employed labour in our country work in the informal sector should be an eye-opener for government policymakers and civil society representatives alike, and it is these very people who are bearing the brunt of the pandemic more than any other group. Not only should those who have been excluded from last year's list of beneficiaries be included; the rectified list must incorporate the new poor as well. Transparency can be ensured by strictly monitoring the beneficiary selection and distribution process by the NGOs and the civil society members (teachers, religious leaders, cooperatives, Ward Development Forum). The beneficiary list can be published on websites of Union Parishads/ Pourashavas and city corporations that can be accessed through Union Digital Centers and posted for public viewing on the Union Parishad official notice board.

The ongoing pandemic has raised the poverty rate from pre-Covid times to 23 per cent, resulting in some 45 lakh 'new poor'. The new poor have emerged as vulnerable as ever, and must not be deprived of their access to cash support systems on the grounds of fear of repeated acts of corruption and fraudulence.

Keeping in mind the constraints and limitations of the local government division in terms of manpower, experience and knowledge, there is no alternative to cooptation, consultation and coordination with NGOs, local and grassroots (Union Parisad and Ward) level civil society members such as community organizations, politicians (both ruling party and opposition), religious leaders and teachers in preparing a complete, all-inclusive list of poor beneficiaries. Covid-19 has unearthed the fault-lines in our traditional frameworks of governance, and it is high time that the small yet significant steps towards necessary policy reform are taken.

References

Cour, A. L and Andersen, N.A (2016). Metagovernance as Strategic Supervision, *Public Performance & Management Review*, 39:4, 905-925.

Sørensen, E., & Torfing, J. (2009). Making governance network effective and democratic through metagovernance. *Public Administration*, 87(2), 234–258.

Taiabur Rahman PhD, is a Professor of Development Studies at the University of Dhaka. Currently, he is on leave to serve as a Professor and Dean, School of Liberal Arts and Social Sciences (SLASS) at Independent University, Bangladesh (IUB).

For correspondence, email at taiabur.rahman@iub.edu.bd

Lamia Mohsin is a junior Consultant at the Resilience and Growth Cluster of UNDP, Bangladesh.

"Covid-19 has unearthed the fault-lines in our traditional frameworks of governance, and it is high time that the small yet significant steps towards necessary policy reform are taken."

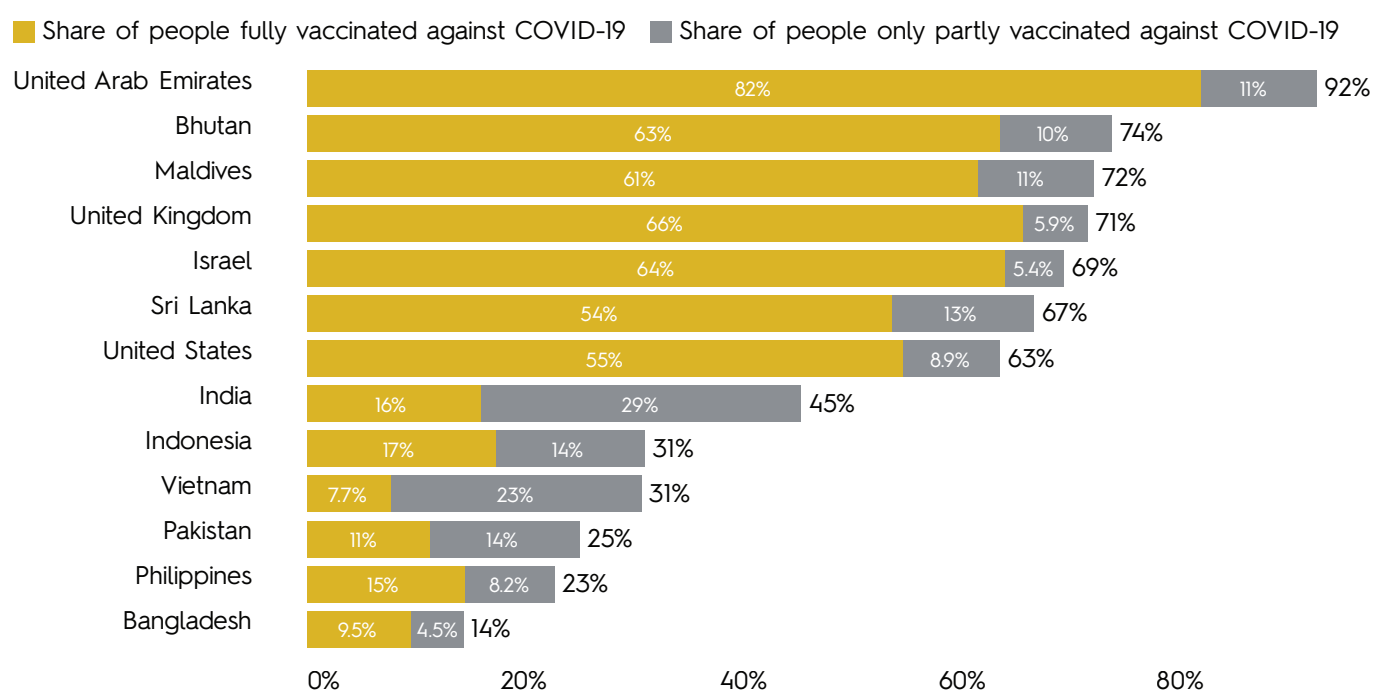# Tackling COVID-19 Vaccine Hesitancy in Bangladesh

Rabiul Islam Rabi

Background

Along with the unavailability of COVID-19 jabs, dealing with vaccine hesitancy (people's unwillingness to take vaccine) has proven to be a formidable task for Bangladesh. As of last week of September 2021, only about 14 per cent of total population were fully vaccinated while less than 10 per cent people received one dose of the jabs (Figure 1). A cross-country comparison indicates that Bangladesh remains far behind most Asian countries in driving the inoculation campaign.

Willingness to take vaccines depends on various factors. Research has shown a complex interplay of factors like religious values, perceived efficacy of vaccines and side effects, sociodemographic profile, difficulty in vaccine registration, among others, drive an individual's decision to get a vaccine (Abedin et al., 2021, Faruk and Al Quddus 2021, Kalam et al., 2021). In light of these challenges, this article outlines a few approaches that could be utilised to increase vaccine uptake in Bangladesh.

Figure 1: Share of people vaccinated against COVID-19 in selected countries (until 25 September 2021)

🟨 Share of people fully vaccinated against COVID-19   ⬛ Share of people only partly vaccinated against COVID-19

Country	Fully vaccinated	Partly vaccinated	Total
United Arab Emirates	82%	11%	92%
Bhutan	63%	10%	74%
Maldives	61%	11%	72%
United Kingdom	66%	5.9%	71%
Israel	64%	5.4%	69%
Sri Lanka	54%	13%	67%
United States	55%	8.9%	63%
India	16%	29%	45%
Indonesia	17%	14%	31%
Vietnam	7.7%	23%	31%
Pakistan	11%	14%	25%
Philippines	15%	8.2%	23%
Bangladesh	9.5%	4.5%	14%

Source: Official data collated by Our World in Data.

Proposed Interventions

Using credible and easy to understand audio-visual communication

Addressing vaccine hesitancy should be based on sociodemographic contexts. One research has shown that vaccine hesitancy is substantially high among elderly, rural, semi-urban, and slum communities, farmers, day-labourers, homemakers, low-educated groups, and people with low trust in the country's healthcare system (Abedin et al., 2021). Another study has indicated that people who had difficulty getting pandemic relief support from the government tend to be more unwilling to take a vaccine (Faruk and Al Quddus, 2021). These factors need to be taken into consideration while communicating any message on vaccination.

In this regard, it should be kept in mind that due to limited education and illiteracy, awareness message on leaflets or in written documents may not serve to reach people in low-income and low-educated groups. The attention span has decreased even among the educated masses, and people are now more inclined to listen to catchy audio-visual messages. While some campaigns are underway in various media, there is a severe need to adopt a more creative approach while broadcasting the awareness messages in Radio programmes and TV channels. It is essential to introduce awareness messages in different ways as people tend to avoid an advertisement or campaign message when there is repetition. Switching the artists appearing in the campaigns, changing the type of relevant adverts, and using local languages to relay the information could be tried to maximise the outreach. Places with common TV (e.g., hospitals, doctor chambers, shopping malls, etc.) could also be considered to make people aware of vaccine efficacy and registration through attractive audio-visual messages.

Utilising religious events to raise awareness

Religious events like prayer congregation can act as a catalyst to increase awareness among mass people. Take the case of Friday Prayer (known as Jummah prayer), which sees the largest gathering of Muslim people every week. Except for this Friday prayer, no such event takes place anywhere across the country where a vast mass gathers each week. The Imams, who lead the prayer and deliver the sermon, also appear to have a good recognition among the Muslims in their respective areas. Their speeches usually inspire people. The Imams can dedicate a particular part of the sermon to encourage people to take vaccines and the importance of adhering to health and safety protocols. Besides Friday prayer, funeral prayers, which also seem to have spiked due to COVID-19 fatalities, can be utilised to motivate people to get vaccines. Most people attending funeral prayers tend to be in a state of listening to the words of the person who leads the prayer. Having a Muslim majority population, Bangladesh can use such prayer events to fight misinformation and raise public awareness on vaccine uptake. With the help of the Ministry of Information and Broadcasting and Ministry of Religious affairs, such campaigns can be undertaken to initiate at every mosque across the country. In the case of other religions, the same can be replicated too during their respective events.

Influence of local leaders

In the context of Bangladesh, government officials, local political leaders, and community leaders have an influence on their constituency and respective area. Such leaders can be encouraged to spread the message regarding vaccine efficacy and make people aware of the need for taking vaccines. To make this happen, awareness campaign at regular intervals can be launched that would target the areas having a relatively large population with high vaccine hesitancy. Such initiative may not entail any substantial cost as some research has already identified that people in low-income settings tend to have higher vaccine hesitancy.

Making use of volunteers to ease vaccine registration process

The digital registration process vaccination has been identified as a barrier to taking vaccines among the low-educated group (Abedin et al., 2021). According to National ICT Household Survey 2019 data, as much as 65 per cent in rural area do not use the internet and about 97 per cent of those aged above 60 years do not have access to internet. It has also been reported that homemakers, unemployed persons, day labourers, drivers and helpers, and housemaids were the least aware of the vaccination registration process (Faruk and Al Quddus, 2021).

To ease the registration process, one way forward could be involving the volunteer organisations. Bangladesh has many volunteer organisations that played an important role in relief distribution during the pandemic. Setting up registration booths using the volunteer organisations and local volunteer groups can ease this registration task. A similar campaign was launched in Dhaka University premises that facilitated the registration process for low-income people like rickshaw-pullers, street vendors, etc. The same drive can be replicated using volunteers across the country.

Concluding Remarks

The reasons driving vaccine hesitancy vary from country to country. The abovementioned interventions are based on analyses of recent research that looked into

the unwillingness of people to get COVID-19 shots in Bangladesh. Vaccine hesitancy has been found high among low-income and low-educated groups. Raising awareness among these groups would require tailored interventions that can convey credible information, instill trust, and remove barriers to vaccine access. Such interventions should also help people of other socio-economic groups who refuse to take vaccines. Devising easy to understand awareness messages targeted to low-income groups, making use of prayer gatherings and Friday sermons, utilising the influence of local leaders at the community level, and leveraging the network of volunteer organisations to expedite the vaccine registration process can potentially increase the vaccine uptake across Bangladesh and chart the way to a faster recovery from the pandemic.

References

Abedin, M., Islam, M.A., Rahman, F.N., Reza, H.M., Hossain, M.Z., Hossain, M.A., Arefin, A. and Hossain, A., (2021). Willingness to vaccinate against COVID-19 among Bangladeshi adults: Understanding the strategies to optimize vaccination coverage. *PLoS One*, 16(4), p.e0250495.

Faruk, A. and Al Quddus, I. (2021). *COVID-19 Vaccination: Willingness and Practice in Bangladesh*. Brac Institute of Governance and Development (BIGD).

Kalam, M.A., Davis, T.P., Shano, S., Uddin, N., Islam, M.A., Kanwagi, R., Islam, A., Hassan, M.M. and Larson, H.J., (2021). Exploring the Behavioral Determinants of COVID-19 Vaccine Acceptance among an Urban Population in Bangladesh: Implications for Behavior Change Interventions. *medRxiv*.

Rabiul Islam Rabi is a Research Economist at Research and Policy Integration for Development (RAPID).

Email: eco.rabi@gmail.com

"Devising easy to understand awareness messages targeted to low-income groups, making use of prayer gatherings and Friday sermons, utilising the influence of local leaders at the community level, and leveraging the network of volunteer organisations to expedite the vaccine registration process can potentially increase the vaccine uptake across Bangladesh and chart the way to a faster recovery from the pandemic."

The Phenomenon of Children on the Move

Mahir Musleh

The phenomenon of children on the move has become a pressing concern around the world. A lot of these children are being deprived of their rights embodied in the United Nations Convention on the Rights of the Child (UNCRC). Although the children on the move concept is an emerging one, issues covered by it are age-old. There are definitional divergences for the phenomenon; however, these children are generally international or internal migrants, internally displaced or asylum-seeking or refugees. Some even consider the children affected by the movement of their parents/guardians, but as these children are not themselves on the move, it makes sense to not include them under the umbrella of children on the move.

Around 30 million children were forcibly displaced by the end of 2019, which is the highest since World War II. However, this figure is likely to be an underestimated one as it comprises only those who have migrated across borders or been forcibly displaced within their own countries due to violence and conflict. Hence, the number of children who are on the move is likely to be much more than the mentioned figure. In Bangladesh, this phenomenon has both internal and international aspects. The latter has come in the form of an influx of refugee children as the Rohingyas fled their own country in the aftermath of violence.

A host of causes can trigger the children to move and they are often intertwined. In general, these causes can be divided into two categories—push factors and pull factors. Poverty, climate disruptions, household issues such as violence inside households, and parents' divorce or separation, conflict and persecution are examples of push factors. On the other hand, higher living standards and better education and employment opportunities are examples of pull factors.

Along the migration pathways, the children may also face some detrimental intermediate consequences, such as child labour, child marriage, and dropping out of school, which could also be interweaved. It is important to note that child migration does not necessarily steer to the deprivation of child rights; it even might lead to both economic and social empowerment of children. Similarly, both accompanied and unaccompanied migration might be prone to vulnerabilities, and one is not necessarily better than the other; however, unaccompanied migration tends to involve more risks.

Every year, Bangladesh experiences the migration of millions of people. One of the most significant aspects of internal migration is rural-urban migration. People move to urban centres because of various factors, including, poverty; loss of village homes and livelihoods, often due to climate change; and to seek jobs in the cities. Urbanisation has also been accelerating, causing increasing disparities between rural and urban areas, pulling people to the latter and subsequently increasing the urban slum and street population.

However, children's migration has been considered to be triggered by other factors as well. Their movement to the streets and slums has also been attributed to social reasons, such as violence towards children within the household. This indicates that economic poverty alone cannot explain why some children have left their families while others have not. As children leave home, they often look for economic opportunities to survive. Hence, it has been the case that poverty is wrongly considered as the only reason for children's migration to the streets and slums.

Bangladesh has experienced a reduction in children's employment in the formal sector; but in the informal sector, it is still prevalent. It has been observed that in urban and semi-urban areas, children often engage in hazardous and exploitative working conditions. For

many of these children, this is the typical path to learn skills and move into the wage labour markets. According to the data provided in the Child Labour Force Survey 2013, the majority of these children engage in child labour due to economic reasons. Furthermore, the data show that the education of such children is badly affected.

Child marriage is another factor influencing child migration. This is especially the case for the girl children who, after getting married, have to move into a different household which might be far away and also have a different social environment. Recent studies show that child marriage in Bangladesh is still very prevalent, even after the implementation of robust policies. Two major reasons cited for child marriage are finding a good match and poverty (UNICEF, 2019).

Trafficking is also another part of children on the move, which can have both domestic and international dimensions. As this aspect of the phenomenon involves children's engagement in social ills such as child labour and prostitution, it is quite a dangerous one.

Numerous studies have shown that street and slum children are living in poor conditions, with reduced access to child rights. Limited resources and services cause poor living conditions for these children and overcrowding in slums exaggerates it. The Child Wellbeing Survey in Urban Areas 2016 reveals that City Corporation (CC) slums and other urban areas, in general, lag far behind their CC non-slum counterparts in terms of nutrition, health, water and sanitation, education and protection.

The nature of the migration process is complex and data on the matter are also very limited, therefore, it is challenging to assess the state of child migration in Bangladesh. Data on internal migration from the Sample Vital Statistics (SVRS) reports was used to estimate the flow and stock of children on the move. Rural–rural and rural–urban migrations were considered to better capture the phenomenon in the context of Bangladesh. The average flow from 2015–19 has been estimated to be 3.8 million and five-year stock to be 11–15.8 million.

However, not all the children on these figures are vulnerable. So, displacement data from various sources regarding climate disruptions, conflicts, children engaged in work, and Rohingya children were used to estimate the number of vulnerable children on the move, which was found to be 3.3 million. With a contribution of almost 75 per cent, climate disruptions were found to be the primary contributor to the estimated stock of vulnerable children on the move. Among all such disruptions, cyclones caused the most displacements (Figure 1).

The Government of Bangladesh (GoB) has developed numerous strategies that aims to address the issues regarding the children on the move. However, their implementation remains a challenge. The government has published the child budget each fiscal year from FY16 to FY20; however, this practice has been discontinued in recent years. The GoB also has undertaken multiple initiatives—they have allocated funds for child victims of natural (or other) disasters; implemented a national child helpline; and established training and rehabilitation centres for street children, safe homes for girls, and orphanages. Non-governmental organisations have also undertaken notable initiatives to address the abovementioned issues.

Recommendations

Credible data on children who are on the move are needed for developing informed policy advice. Presently, there exists very limited information on children on the move, or phenomena on child labour and children in dangerous occupations/situations, etc. A pragmatic approach to capture the phenomenon would be to undertake prudently designed and customised surveys at timely intervals in the pockets or hotspots of the phenomenon. Potential pockets could be regions affected by climate disruptions, regions hosting susceptible population groups, and regions where urban informal employment sectors flourish. This would produce data needed to determine the trends and dynamics of children on the move.

Figure 1: Displacements due to climate disruptions (thousands)
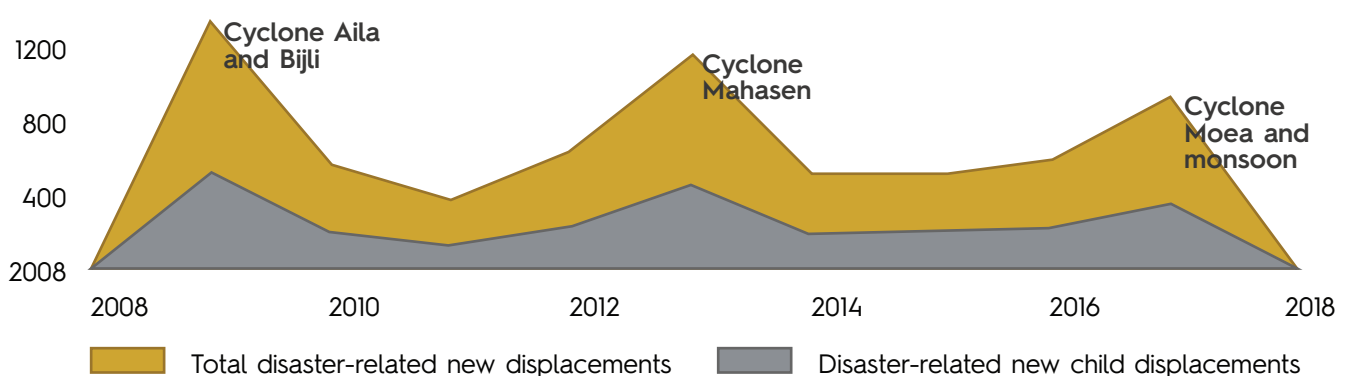
Source: Author's representation using Internal Displacement Monitoring Centre (IDMC) data.

As poverty and deprivation are found to be key factors inducing children to move, addressing these could prevent undesirable child migration. Also, strengthening direct bottom-up approaches targeting children's needs and vulnerabilities would be beneficial to children in disadvantaged regions and households.

Bolstering Social Security Programmes (SSPs) would help assuage the poverty condition. This would require the effective implementation of the National Social Security Strategy. Also, SSPs need to be extended to the urban poor and already displaced children.

To reduce climate-induced displacements, climate-related preparation and response has to be strengthened. Also, child-and-gender-sensitive climate mitigation and adaptation measures have to be developed and implemented to protect the rights and welfare of the children.

Pertinent government ministries and departments such as the Ministry of Disaster Management and Relief, the Ministry of Social Welfare, and the Department of Social Services should extend their support facilities for vulnerable children. Increased support from development partners and NGOs are also required.

It is imperative to start publishing the child budget again. However, to achieve its desired results, a robust system to monitor and assess the effectiveness of the budget is required which did not exist for the previous ones. The budget also needs to disclose its allocation to specific programmes so that spending regarding specific rights and issues of children can be identified. This would also provide the space for the monitoring of the spending, and hence, contributing to enhanced accountability. Also, introducing targeted allocations for specific deprived/vulnerable geographic areas could improve the budget

This article draws on a research on the same topic conducted by Research and Policy Integration for Development (RAPID), with the support from the UNICEF. The Author, along with Abdur Razzaque, PhD, and M Abu Eusuf, PhD, undertook the study.

References

Bangladesh Bureau of Statistics, Government of the People's Republic of Bangladesh, *Bangladesh National Child Labour Survey 2013*, October 2015.

Bangladesh Bureau of Statistics & UNICEF Bangladesh. (2016). *Child Well-Being Survey 2016, Final Report*. Dhaka, Bangladesh.

IDMC. *Bangladesh*. Retrieved from https://www.internal-displacement.org/countries/bangladesh.

ReliefWeb (2019, August 20). *Two years on and still waiting for justice – Why we cannot forget Rohingya children*. https://reliefweb.int/report/bangladesh/two-years-and-still-waiting-justice-why-we-cannot-forget-roh ingya-children.

UNICEF. (2015). *Analysis of the situation of children and women in Bangladesh 2015*.

UNICEF. (2016b). *Uprooted: The growing crisis for refugee and migrant children*. https://weshare.unicef.org/Package/2AMZIFQP5K8.

UNICEF. (2019). *Ending Child Marriage in Bangladesh What matters most for change? Exploring preferences, beliefs and norms* (draft report).

UNICEF. (2020, April). *Child displacement*. https://data.unicef.org/topic/child-migration-and-displacement/displacement

Mahir Musleh is a Research Economist at Research and Policy Integration for Development (RAPID).

For correspondence, email at mahir@rapidbd.org

Improving the Labour Market Governance of the Ship Breaking Industry

Md Imran Hossain Bhuiyan

The ship breaking and recycling yards at the shores of Sitakunda Upazila in Chattogram district, the second largest metropolitan city with the largest seaport in Bangladesh, are globally known for both good and bad reasons. On one hand, the local ship breaking and recycling industry has often been taking the top spot globally in terms of dismantling a large number of end-of-life vessels since the last decade. In addition, the industry has also been supplying the lion's share of the raw materials for the steel mills and the ship building yards across the country. On the other hand, the industry has long been criticized for its poor working conditions, lack of adherence to local labour policy, lower level of occupational safety, and use of child labour at the yards. Reportedly, the industry's lack of adherence to labour laws stems from the fact that it was officially recognized as an 'industry' by the Government of Bangladesh only since the mid-2000s. Though it is claimed that the number of ship breaking yards started to grow significantly since the 1980s, the industry has been brought under specific rules and regulations only since 2006. Yet, sufficient oversight by the labour inspectors regarding the implementation of the national labour policy at the yards have been lacking for years due to the shortage of human and other resources in the responsible government agencies.

The major challenges towards improving the governance of labour market in ship breaking industry, however, lies not only in the lack of monitoring by the responsible government agencies but also in the informal nature of employment in the industry. While governance is defined as the process of making and implementing decisions at various levels, Labour Market Governance (LMG) refers to the management and administration of the labour from both macro and micro perspectives. ILO (2008, 2011) defined LMG as the totality of actors, factors, and institutions that influence both the demand and supply for labour. ILO (2011) further classified the three key elements of the LMG as the labour law and regulatory environment, the industrial relations, and the labour administration. In the context of the ship breaking industry in Bangladesh, while there are several labour laws and regulations, the labour administration is relatively weak in monitoring the implementation of relevant laws including occupational safety, minimum wages, and dispute resolution. Furthermore, in terms of industrial relations, which portrays the relationship between the workers and the employers, the avenues of collective bargaining and strengthening bipartite, as well as tripartite institutions, remain weak.

Apart from government monitoring, decade-long practices of informal employment in the ship breaking and recycling yards remain to be major challenges to the labour market governance. Due to informal and temporary nature of labour recruitment, the statistics regarding the number of workers at the ship breaking yards vary from time to time as the demand for the workers rises and falls in relation to the number of ships available to be cut at the yards. Hence, while a World Bank report in 2010 stated the number of workers in the ship breaking yards to be around 22000, the NGO Shipbreaking Platform in 2016 stated it as around 15000. The informal nature of employment, as various studies and reports indicate, paves the way for several labour rights violations in the ship breaking industry including the low wages for unskilled labour, temporary recruitment, long working hours, lack of proper training facilities, limited availability of personal protective equipment, and the use of child labour (Bhuiyan and Hassan, 2018; World Bank, 2010; Karim, 2009).

While ship breaking and recycling has officially been

recognized as a formal industry, the labour market has remained largely informal and the workers have hardly been getting any benefit of the government's acknowledgment of this industry. More interestingly, given the size of capital investment and the scale of activity involved, owners of the ship breaking yards have long been interacting with several government agencies to operate as formal business entities. Like other formal industrial sectors, business registration, trade license, permissions for importing and beaching the end-of-life ships, and registration for tax as well as value added tax have been the features of the ship breaking yards for decades. On a relevant note, the annual turnover of this industry from around 120 active yards in recent years is estimated to be around 1.5 billion US dollars (Das and Shahin, 2019). Yet, the workers in the industry are being temporarily employed, receiving lower wages, suffering from injuries and even deaths due to accidents at work, and having poor bargaining power regarding the conditions of work. Hence, the poor state of labour market governance in the ship breaking and recycling industry now requires strict attention from the policy makers as well as from other stakeholders.

To improve the labour market governance in the ship breaking industry, hardening the labour laws and relying on monitoring by the government agencies may not be sufficient. Apart from the government agencies, the reform in the labour market governance needs to come from the owners of the ship breaking yards. In this industry, due to the temporary nature of jobs, most of the workers move from one yard to another round the year to remain in jobs and the job conditions are often negotiated by the labour contractors. The labour contractors, here, work as the intermediaries to control the supply of labour to the yards. Developing a central database of workers, providing skill development training to the workers, and developing the bargaining power of the workers through the formation of yard-based trade unions have remained almost impossible due to this floating nature of jobs in the yards.

On this backdrop, a central agency can be instrumental in registering the workers in a single database and in employing the workers at different yards based on the demand for labour. Moreover, the same agency can provide training to the registered workers, and manage the wages, accommodation as well as other employment benefits for the workers. In this regard, the apex body of this industry, the Bangladesh Ship Breakers' and Recyclers' Association (BSBRA), which represents the owners of all the yards, is the potential actor that can take the responsibility of central recruitment and registration of the workers. Besides the recruitment, the BSBRA can also manage the training and accommodation facilities for the registered workers. The central recruitment and registration of the workers, excluding the managers and other officials, at the yards can potentially solve the problem of informal employment in the ship breaking and recycling industry. The policy makers, the responsible government

agencies, and the yard owners, in this case, need to work together to improve the conditions of the workers and the overall labour market governance of the ship breaking industry.

References

Bhuiyan, M. I. H. and Hassan, S. M. K. (2018). Patterns of Informality in the Ship Breaking Industry of Bangladesh, *Economic Affairs*, 63(1), pp. 141-150, DOI: 10.30954/0424-2513.2018.00150.18

Das, J. & Ali Shahin, M.A. (2019). Ship Breaking and its Future in Bangladesh. *Journal of Ocean and Coastal Economics*. 6(2), pp. 1-18. DOI: https://doi.org/10.15351/2373-8456.1110

International Labour Organization. (2008, August). *Labour market governance in the Philippines: Issues and institutions*. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-manila/documents/publication/wcms_123202.pdf

International Labour Organization. (2011, September). *Asian Decent Work Decade resource kit: Labour market governance*. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_098156.pdf

Karim , M.S. (2009). Violation of labour rights in the ship breaking yards of Bangladesh: legal norms and reality. *The International Journal of Comparative Labour Law and Industrial Relations*, 25(4). pp. 379-394.

World Bank (2010, December). Ship breaking and recycling industry in Bangladesh and Pakistan. URI http://hdl.handle.net/10986/2968

Md Imran Hossain Bhuiyan is an Assistant Professor at the Department of Development Studies in the University of Dhaka (DU) and a Research Fellow at Research and Policy Integration for Development (RAPID).

Email: imran.bhuiyan7@gmail.com

Can AI Improve Budget Implementation?

Sayeed Ahmed

The International Finance Corporation (IFC) has recently published a comprehensive report titled "Artificial Intelligence in Emerging Markets—Opportunities, Trends, and Emerging Business Models" on the use of Artificial Intelligence (AI) in emerging economies. It elaborates on how AI is facilitating leapfrogging traditional development models without cost-prohibitive capital investment. There are several successful cases of AI applications in developing countries. Kenya has provided small loans to 21 million citizens in underserved areas within four years using online systems. In Rwanda and Mexico, AI-powered systems deliver medical supplies by drones and offer advice for diabetic patients to distant places. Many researchers and policymakers now see AI as a tool for reducing poverty and boosting shared prosperity.

China provides an excellent case study of how AI can assist in circumventing the conventional development obstacles and catch up with the world's leading nations. It adopted an AI strategy in 2017. Within four years, China is already attracting global attention with impressive applications such as managing the Covid-19 pandemic. It has successfully deployed AI-powered systems in healthcare, education, traffic management, smart cities, and social governance. According to an article published on Nature, China may lead the world in AI by 2030.

Bangladesh has already recognized the significant potential of AI in governance and development. To utilize this potential, it has published an elaborate "National Strategy for Artificial Intelligence" in March 2020. Yet, there is no documentation of AI deployment in the public sector, although AI has found some usage in the private sector. A few technology-based companies have deployed AI tools to deliver services to their customers. One such is a smart-tractor manufacturer (Hello Tractor), and another is Zantrik, an app-based platform that provides on-demand automotive services and breakdown assistance for cars and motorbikes.

Besides such small-scale applications, Bangladesh could also benefit from using AI at the national level, such as its Annual Development Plan (ADP) monitoring activities. The government body entrusted with ADP monitoring is the Implementation, Monitoring, and Evaluation Division (IMED) under the Ministry of Planning. ADP monitoring is similar to project management; only the scale is much larger. One only has to look at it from an AI perspective to reap the benefits this technology has to offer.

AI can gain insights from past data ("training" or machine learning) and use this knowledge to discover the meaning of new data. As the amount of data increases with time, its knowledge base also grows, making the system more efficient. The quality and amount of the data determine an AI system's effectiveness. On the other hand, biased data will make it error-prone and unreliable. Therefore, the first requirement of an AI implementation system is a vast amount of quality data in electronic formats such as numbers, tables, texts, and images. An AI-based system can train itself with these data and produce performance indicators or status reports for future projects after several rounds of refinement.

Government agencies in Bangladesh have been using information and communication management systems for several years. These include e-filing, the Project Management Information System, and e-Government Procurement (e-GP). All these systems gather a large amount of data relevant to project performance,

physical progress, budget allocation, fund management, and financial progress. Conventionally, it is up to humans to interpret such information and determine a project's performance and intervention requirement An adequately trained AI-based system can perform all these tasks and leave decision-making to humans. Of course, the decision-makers won't have to do whatever the system recommends. They can apply judgment as appropriate. Meanwhile, the system will continue working 24/7, analysing large data volumes, and providing time-critical information to support such decision-making.

The other requirement for AI-based systems is a substantial body of technical experts in AI, machine learning (ML), and data science. A close collaboration between such experts and domain expertise is a prerequisite for the success of any AI initiative. Fortunately, Bangladesh has both. Several home-grown software companies are already working on AI-related product development for American or European clients. The IMED will have no problem adding their domain knowledge to such a pool of expertise and start working on a small model. The model can be gradually scaled up as required.

The system can become even more effective with a Geographic Information System (GIS) to store the projects' location information. Bangladesh has been using GIS since the early 1990s on the Flood Action Plan (FAP) projects. Several Bangladeshi software companies are deploying GIS-based analytical tools for overseas customers. The synergy from combining GIS and AI will offer a more powerful tool to the policymakers by pointing out overlaps, gaps, and duplication of government investments. Let's examine a few likely scenarios where such a system would be helpful.

A project's physical progress falls behind fund disbursement, and the allocated budget may not be enough for its completion. The system will pick it up and notify IMED to decide on remedial measures. Or, a project director may not be able to mobilise the contractor on time because of the delay in contract signing or land acquisition. It will never be possible for the IMED to identify such an issue with a manual monitoring system unless someone familiar with the project details points it out But the AI-based system, by continuously interpreting the communications, can highlight it, along with the source of the delay. If any project's location or scope overlaps with that of another, the system will also highlight that All these will enable the ECNEC members to understand better how the government's interventions are working.

The potential benefits of an AI-based system are aplenty, but there are also many cases of failed AI initiatives. Developing an effective AI-based system needs careful planning, coupled with learning lessons from others' experiences and meticulous work. An IMF blog has warned of a possible AI-induced widening gap between the rich and the poorer nations. But with its efficient and ethical use, AI can close such gaps too. Let Bangladesh launch its fourth industrial revolution with an AI-powered ADP monitoring system and facilitate a more equitable distribution of national wealth.

> *"AI can gain insights from past data ("training" or machine learning) and use this knowledge to discover the meaning of new data. As the amount of data increases with time, its knowledge base also grows, making the system more efficient."*

References

Ahmed, S. (2021, September 1). Can AI improve our budget implementation scenario?. The Daily Star. Retrieved from https://epaper.thedailystar.net/Home/ShareArticle?OrgId=19677709c1&imageview=1

Alonso, C., Kothari, S., Rehman, S. (2020, December 2). How Artificial Intelligence Could Widen the Gap Between Rich and Poor Nations. Retrieved from IMFblog website: https://blogs.imf.org/2020/12/02/how-artificial-intelligence-could-widen-the-gap-between-rich-and-poor-nations/

Artificial Intelligence in Emerging Markets—Opportunities, Trends, and Emerging Business Models. Retrieved from https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/artificial+intelligence+in+emerging+markets

Information and Communication Technology Division Government of the People's Republic of Bangladesh. (2020). National Strategy for Artificial Intelligence Bangladesh. Retrieved from https://ictd.gov.bd/sites/default/files/files/ictd.portal.gov.bd/legislative_information/c2fafbbe_599c_48e2_bae7_bfa15e0d745d/National%20Strategy%20for%20Artificial%20Intellgence%20-%20Bangladesh%20.pdf

Nesta. (n.d). The AI Powered State What can we learn from China's approach to public sector innovation? Retrieved from https://www.nesta.org.uk/feature/ai-powered-state/

O'Meara, S. (2019). Will China lead the world in AI by 2030. Nature, 572(7770), 427-428.

Strusani, D., & Houngbonon, G. V. (2019). The role of artificial intelligence in supporting development in emerging markets. Retrieved from https://www.ifc.org/wps/wcm/connect/32e54505-3bfb-4198-b939-e1e8847715f1/EMCompass-Note-69-Role-of-AI-in-EMs.pdf?MOD=AJPERES&CVID=mNdPiNf

Tracxn. Artificial Intelligence Startups in Dhaka. Retrieved from https://tracxn.com/explore/Artificial-Intelligence-Startups-in-Dhaka

Sayeed Ahmed, PhD, is a consulting engineer and the CEO of Bayside Analytix, a technology-focused strategy consulting organisation.

Email: sayeed.ahmed@baysideanalytix.com

"Developing an effective AI-based system needs careful planning, coupled with learning lessons from others' experiences and meticulous work."

Welfare of Migrant Workers

M Abu Eusuf, Nazneen Ahmed & Ebney Ayaj Rana

Every year, around 400,000 workers go to foreign countries from Bangladesh looking for work to have a better life. Despite the reported incidences of migrant workers facing workplace hazards and harassment, the shift of labour has been transforming the living conditions for their families who stay back in their homeland. Besides, their income plays a vital role in developing the economy through the country's remittance. Even though the migrant workers have a noticeable contribution to economic growth and development in Bangladesh, there are not sufficient budgetary allocations for their welfare and their families.

An analysis of budgetary allocation across various government agencies related to migrant workers can provide insights. For FY21, the Government of Bangladesh (GoB) set the size of the national budget at Tk 5,68,000 crore, which was 9 per cent higher than the previous year's budget. Operating and development expenditures were Tk 3,48,180 crore and Tk 2,15,043 crore, respectively. Although Bangladesh has witnessed a rapid growth in the size of its national budget over the past two decades, the country has yet to meet the sectoral needs of budgetary allocations. For instance, overseas employment that currently generates about $22 billion as remittance inflow in the country receives very little investment from the Government. More specifically, the Ministry of Expatriates' Welfare and Overseas Employment (MoEWOE), the primary government entity responsible for increasing overseas employment opportunities and enhancing expatriates' welfare, receives less than 1 per cent of the national budget. For instance, in FY21, the budget allocation for MoEWOE was Tk 642 crore, representing 0.11 per cent of the national budget in that year while the ministry's budget was Tk 595 crore and Tk 591 crore in FY19 and FY20. Moreover, half of the allocation to the ministry is used for financing operating activities, leaving insufficient funds for financing development activities.

It is important to note that Labor Offices abroad, the key institutional unit of MoEWOE for ensuring expatriates' welfare in foreign countries, receives less than one-fifth of the ministry budget. Recent statistics suggest that the allocation for Labor Offices Abroad has decreased from Tk 85 crore in FY19 to Tk 80 crore in FY20 (Table 1). However, the Training Establishments unit of MoEWOE has recently received an increased allocation implying the Government's focus on creating a skilled labor force for overseas employment. From 71 crore in FY19, the funding for Training Establishments rose to Tk 120 crore in FY20, representing one-fifth of the ministry budget. Meanwhile, the allocation for the Secretariat of the ministry halved in FY20 compared with FY19. Such reduction in the Secretariat's budget is likely to severely constrain the capacity of the ministry to work for the welfare of Bangladeshi expatriates in a sustained manner.

Apart from the MoEWOE, several other government ministries potentially contribute to the welfare of expatriates and returnees. For instance, the Ministry of Labor and Employment (MoLE) aims to create a skilled labor force seeking competitive employment opportunities in foreign labor markets. The Ministry of Foreign Affairs (MoFA) provides various assistance, including consular and other welfare services to Bangladeshi expatriates through diplomatic and consular representations.

However, there are other government agencies that can contribute to the welfare of migrant workers and aspiring migrants. For example, the Security Service Division of the Ministry of Home Affairs (MoHA), especially the Department of Immigration and Passports within the Division, has the potential to

Table 1: Budget allocation for institutional units of MoEWOE

Institutional Units of MoEWOW	2018-19		2019-20	
	Allocation (in crore Tk.)	% of Ministry Budget	Allocation (in crore Tk.)	% of Ministry Budget
Secretariat, MoEWOE	104.02	17.48%	50.97	8.63%
Labor Offices Abroad	84.5	14.20%	80	13.54%
Head Office, BMET	299.99	50.40%	299.46	50.68%
Divisional Employment and Manpower Offices	0.97	0.16%	1	0.17%
District Employment and Manpower Offices	23.34	3.92%	26.63	4.51%
Training Establishments	71.04	11.93%	120.04	20.31%
Institutes of Marine Technology	11.38	1.91%	12.83	2.17%
Total Ministry Budget	**595.24**		**590.93**	

Source: Ministry of Finance, 2021

facilitate legal migration at a low cost The Ministry of Social Welfare (MoSW) can contribute to reintegrating the returnee migrant workers into society and help them engage in income-generating activities. Both Ministry of Youth and Sports (MoYS) and the Ministry of Education can directly contribute to increasing the employability of potential expatriates by enabling them to develop skills necessary to compete in foreign labor markets. Finally, the Ministry of Women and Children Affairs (MoWCA) can help potential women expatriates gain employability skills and raise voices against any kind of abuse associated with their migration.

Given the resource crunch faced by the government in formulating the national budget, it is crucial to look for alternative ways that can help improve the welfare of migrant workers. One possible way to improve such welfare could be considering various innovative options for financial inclusion that other countries have implemented. In this connection, the following discussion summarises a cross-country experience that Bangladesh can learn from and thereby implement as the need of the migrant community.

Financial Inclusion of Migrant Workers: Lessons from Cross Country Experience

Financial inclusion is a powerful mechanism to boost economic development by ensuring fair income distribution, poverty elimination, and the stabilization of the financial system. The Eighth Five-Year Plan (8FYP) of Bangladesh emphasises the importance of strengthening Bangladeshi migrant workers' access to financial institutions. In this regard, it is worth noting that the Government of Bangladesh (GoB) has formulated a National Social Security Strategy (NSSS) to enhance the social security of all people, including the migrant worker class, about 6 per cent of whom constitute the

migrant workers' community. The policies and initiatives taken so far in Bangladesh in the form of inclusive finance are, of course, essential and in the right direction, and they have already started to have a positive effect But still, Bangladesh needs to increase its effort to advance the interest of migrant workers by making more options available towards financial inclusion.

There are worldwide examples where overseas workers' hometown unions collect funds for specific programs, which are then matched by the Government, with financial institutions operating as a conduit The "Tres por Uno" program in Mexico is an example of migrant savings being channeled into development projects in the migrant's home country. One of the finest strategies taken by India is the establishment of the Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY), a pension and life insurance scheme aimed at overseas Indian workers employed in 17 countries with Emigration Check Required (ECR) (Mashayekhi, 2015). For male and female employees, the Indian Government contributes up to Rs 2,000 (USD 30) and Rs 3,000 (USD 45) each year, respectively. In the Philippines, Overseas Workers Welfare Administration (OWWA), a government welfare institution, provides a number of benefits including pre-departure training and financial literacy seminars for Filipino workers with a membership fee of USD 25. Through Pag-IBIG Overseas Program, a mandatory savings programme for Filipino overseas contract workers, immigrants, and naturalised citizens, allows Filipino citizens to enjoy home loans. It also serves as a savings investment in Mutual Fund Company.

Another exemplary strategy is The Asian Migrant Center (AMC), a joint venture of two NGOs from Hong Kong and the Philippines, offering Filipino returnee migrants' savings and investment opportunities. The Sri Lanka Bureau of Foreign Employment (SLBFE) has similar tools. Some countries have issued diaspora or development bonds to mobilize investment from the

migrant workforce. For example, Philippines has the OFW Savings Bond; Sri Lanka has issued Development Bonds and India has floated Diaspora Bonds on a number of occasions to harness savings from and provide investment opportunities to migrant workers and the diaspora. Some of the savings' instruments are targeted to particular sections of the migrant workers (i.e., domestic workers) while some programs are host country-specific (Rahman, 2016).

Concluding Remarks

The preceding discussion indicates that, given the limited budgetary allocation for migrant workers and aspiring migrants, it is essential to look for alternative approaches to improve their welfare. While improving budgetary allocation and ensuring subsequent timely implementation of targeted initiatives can help, there is also a need to look for innovative mechanisms to enhance the welfare of migrants. Many countries are attempting to increase the financial inclusion of migrant workers to improve the welfare of the migrant population by supplying them with additional earning opportunities and using financial capital to expand their home countries. Bangladesh could learn lessons from international experiences of financial inclusion of migrant workers, as discussed above, to enhance the welfare of migrant workers and their families in a sustained manner.

References

Mashayekhi, M. (2015). Remittances and financial inclusion. https://www.un.org/en/development/desa/population/migration/events/coordination/13/documents/presentations/13CM_Mina_MASHAYEKHI.pdf

Rahman, Md Mizanur, Arif, M. T., Safii, R., Tambi, Z., Akoi, C., Jantan, Z., & Halim, S. A. (2019). Care seeking behaviour of Bangladeshi migrant workers in Sarawak, Malaysia. *Bangladesh Medical Research Council Bulletin*, 45(1), 47–53. https://doi.org/10.3329/bmrcb.v45i1.41808

Rahman, Sadique. (2016, April 6). CPD Working Paper 112 – Advancing the Interests of Bangladesh's Migrant Workers: Issues of Financial Inclusion and Social Protection | CPD. Centre for Policy Dialogue (CPD). https://cpd.org.bd/cpd-working-paper-112-advancing-the-interests-of-bangladeshs-migrant-workers-issues-of-financial-inclusion-and-social-protection/

Secretariat of the Vice President of the Republic of Indonesia. (2014). "*National Strategy for Financial Inclusion Fostering Economic Growth and Accelerating Poverty Reduction.*" https://Www.afi-Global.org/Sites/Default/Files/Publications/Booklet_financial_inclusion_english_version.pdf.

M Abu Eusuf, PhD, is Professor, Department of Development Studies and Director, Centre on Budget and Policy, University of Dhaka & Executive Director, Research and Policy Integration for Development (RAPID).

For correspondence, email at: eusuf101@gmail.com

Nazneen Ahmed, PhD, is Country Economist at UNDP, Bangladesh.

Ebney Ayaj Rana is Assistant Professor, Department of Development Studies, University of Dhaka.

"*While improving budgetary allocation and ensuring subsequent timely implementation of targeted initiatives can help, there is also a need to look for innovative mechanisms to enhance the welfare of migrants.*"

Development
Letters

Issue

JUL-SEP | **'21**

Development Letters, a quarterly periodical, focuses on bringing together issues, ideas, and approaches that can be researched, refined, experimented, and investigated further. This periodical intends to advance innovative research/intervention ideas so that analytical work and evidence can meaningfully lead to practical actions and maximise developmental impact.