

Courtship with catastrophe

Groundwater depletion highlights unplanned urbanisation

A Bangladesh Agricultural Development Corporation (BADC) survey spells it out loud and clear: the capital is courting catastrophe in its mindless dash for development. Concrete structures have sprouted here and there encroaching on lowlands and green spaces. In the midst of an all-pervasive concrete coating, little retention space is left for the rainwater to recharge the ground aquifers, whereas the demand for groundwater has multiplied by the day. The resultant decline "could lead to contractions in the clay soil plate Dhaka is situated on and eventually to subsidence". The disaster could strike any moment and wreak havoc on people and property.

Once again, the city fathers have allowed a problem to snowball into an overwhelming crisis. Hardly have they paid any heed to the streams of reports and editorial comments on encroachment of water bodies, lowlands and green spaces, and other violation of the Dhaka Master Plan (DMP) in the print media. They sat idle as unscrupulous developers with the aid of a section of corrupt Rajuk officials constructed residential and commercial buildings on areas marked as floodwater retention points in the DMP. In fact, not long ago, this paper has run a series of reports on the filling of lowlands on city fringes.

The authorities must act now. They need to implement a two-pronged strategy to save the city from subsidence: ensure that the ground aquifers get recharged and ease up dependence on groundwater. The first step requires uncompromising implementation of the DMP. The process might require demolition of quite a few concrete structures, re-excitation in some areas and restoration of greenery in others. It would be a long, laborious exercise but one that we cannot do without. The cost of flinching from it would be extremely high.

Meanwhile, the Dhaka Water Supply and Sewerage Authority (WASA) must enhance its surface-water treatment capacity. Its two treatment plants can meet only 20 per cent of the total demand. New water treatment plants are essential. There is a problem, though. Indiscriminate dumping of human, chemical and industrial wastes has contaminated some rivers almost beyond redemption. While there has been a growing citizen movement to save these rivers, the authorities have been more or less indifferent to such articulation.

The challenge is multifaceted, no doubt. That is why the authorities need to draw up a comprehensive strategy designed to striking a balance between the use of ground water and that of surface water. Building water reservoirs during the monsoons could one of the key elements of the solution package.

Bomb explosion sequel

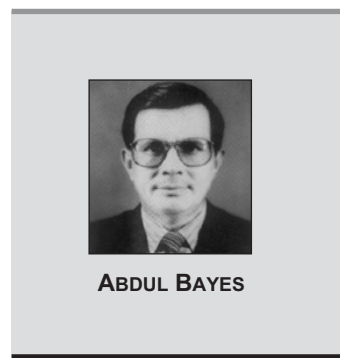
Stop blame-game, catch culprits

THE powerful bomb blasts in Dinajpur city last Thursday, just a day after the Eid-ul-Azha, raked up some of the memories of a series of explosions in cinema halls during the Eid-ul-Fitr holidays a few months back. Though this time, fortunately, the blasts did not cause any widespread damage in terms of human casualties, the scene and the timing of the blasts should not be overlooked. The bombs seemingly went off while being made in a tin shed house which had been allegedly rented by members of an Islamic group called Za'amatul Mujahidin Bangladesh (ZMB). Police also recovered shutter guns, revolver, cartridges, time-bomb circuit and leaflets containing militant messages. It is worthwhile to mention that closely on the heels of Dinajpur blasts, activities of a militant outfit called Shahadat-e-AI-Hikma in Rajshahi have been banned.

There is a belief that the bombs were probably being made to attack some cultural and other programmes that were to be held after Eid celebrations. In fact some organisers said that they had been asked to call off the programmes or face dire consequences. With so many clues available, it should not be difficult for the investigators to get to the bottom of these blasts and track down those responsible. But on a hindsight, we wonder why the police did not allow newsmen near the scene of occurrence and also snatched the camera from a photographer on duty. Not only that, according to a highly placed police official, the organisation had been doing its 'underground work' for more than a year! If they had this information with them, then why did they not take any action against it until now? A high district official's reported expression of relief that the blasts did not occur at a public place only highlighted the local administration's intelligence failure to nip clandestine activities in their bud.

The authorities have not been able to solve any of the previous bomb explosion incidents that had cost many lives and put our image on the line. Because of the blame game the ruling and opposition parties play against each other in such circumstances, the real culprits have always gotten away. But things ought to be different when the failure to solve the mysteries does not only reflect on our forensic abilities but also our image. Our bottomline counsel to the government would be a reiteration of what we have been urging lately: go seek assistance from reputed international intelligence agencies to ferret out the masterminds behind the bomb explosions in the country which have occurred in a pattern.

Political market and 'Hayami-hypotheses'



ABDUL BAYES

YUZIRO Hayami is an outstanding economist. Especially, those who have heaved around agricultural or rural economics as a field of study, Hayami needs no introduction to them. This versatile and veritable economist is now working as a professor, National Graduate Institute for Policy Studies. He is currently holding the chair of the director of FASID Graduate Programme. Besides innumerable articles in professional journals, he also authored many books on agriculture and economic development. Some of them are, for example, *Agricultural Development* (with V.W. Ruttan), *Anatomy of a Peasant Economy: Asian Village Economy at the Cross Roads* (with Masao Kikuchi), *A Rice Village Saga* (with Masao Kikuchi) and *Economic Development: from the Poverty to the Wealth of the Nations*.

Today, I shall attempt to highlight (sometimes paraphrase) his theoretic observation on political market, politics and political leaders. I named them as "Hayami-Hypotheses" to allow my readers either to accept or reject his postulates. The choice is mainly based on the realities on the ground in developing countries, especially in South Asian countries. But since it is a newspaper column, bounded by the barricades of words and space limitations, I shall try to be very brief but focused. Of course, such an attempt might turn out to be an injustice to the author. But economists always engulf trade-offs. May be that this time Hayami would lose a lot but I shall gain some.

A political market

Societies demand public goods and the government is there to supply them. The social needs so demanded are determined through a political process at equilibria between demands for and supplies

of those public goods from various interest groups. Hayami dubbed it a 'political market', analogous to economic market for ordinary goods and services. But unlike private actions, collective actions are usually much less organized than a socially optimum level. Why? It is because only a part of the profit accrues to the organisers who bear the full cost of organising it. I presume that this can be compared with share tenants who would bear the full cost but bag home, say, only half of the harvest. The incentive to invest thus is lost. In any way, the

goods would be the strengthening his power base due to increased support from people who capture economic gains from the public goods. Unless the increment in his utility arising from his strengthened political power was expected to exceed his cost, he would not attempt to organise the collective action".

Hayami then goes to the model -- the behaviour of a political leader in the tradition of public choice theory on the economics of politics. Like the suppliers of any commodity in

(a) how can the efficiency in the translation of social demand to the politician's marginal revenue curve be improved? (b) how can the marginal cost curve be lowered? And he has his own answers on these and we hope to put them on board in future.

On government failure

As has been said before, the supply of public goods in any society is a function of a political process. Since a political process, there is no guarantee at all that the supply of

scientific research, which entails much higher social benefits than costs, is likely to get less support and remain undersupplied. "Because its great benefit will be distributed widely among a large number of people in the future, it is unlikely that a strong pressure group will be organised for such public goods. In contrast, construction of local public infrastructure may be lobbied for very strongly, likely to result in an oversupply if it is expected to produce a large profit for a few contractors and/or a relatively small number

pawning on primary education. "As the result, it is common to find that oversupply of unnecessary public goods coexists with the sheer undersupply of public goods critically needed for economic development. Such inefficient budget allocation that results in reduction in net social welfare can be called *government failure*" (italics mine).

Misuse of budget aside, government also imposes undue regulations to bias resource allocations. Some of the regulations, admittedly, are laudable and made tremendous contribution in raising welfare e.g. pollution, but later turned out to bear negative effects. Hayami cites an excellent example to make his point clear. The compulsory regular checking of automobiles by authorised garages in Japan (called Shaken) made a high social contribution in terms of the safety of drivers, passengers and pedestrians, emission of noxious gas etc. for a pretty long time. That was a time when Japanese automobiles were of low quality and prone to trouble. But with the advent of quality cars having greatly improved the situation, the old regulation still persists to protect the pockets of vested interests of authorised garages at the cost of consumers!

"The danger is that the government's regulations tend to become entrenched when those with vested interests seek 'institutional rents' or excess profits from regulations. Such rents are consumed for the sake of preserving the regulations. Firms protected by regulations raise funds and ballots to support politicians in exchange for their support on the preservation of this. It is also common for firms to employ retired officials from regulating agencies. Through rent-seeking activity by bureaucrats and politicians as well as protected firms, socially negative regulations continue to be maintained and reinforced". And if I am allowed to add, in Bangladesh and other developing countries, the appointment of top bureaucrats in different firms, donor agencies or NGOs immediately after their retirement points to the power of the premise. These appointments can possibly be called "post-retirement bonus" for the alleged conspicuous cooperation with those agencies in the past.

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BENEATH THE SURFACE

"The danger is that the government's regulations tend to become entrenched when those with vested interests seek 'institutional rents' or excess profits from regulations. Such rents are consumed for the sake of preserving the regulations. Firms protected by regulations raise funds and ballots to support politicians in exchange for their support on the preservation of this. It is also common for firms to employ retired officials from regulating agencies. Through rent-seeking activity by bureaucrats and politicians as well as protected firms, socially negative regulations continue to be maintained and reinforced".

fact that organisers of collective action do not get the full benefits of the outcome, undersupply of public goods results.

For the supply of public goods some one must take the charge of organising collective action. Collective action could come from a panoply of pockets e.g. community, voluntary groups or religious organisations. These sources are in fact to meet localised supply. But to meet the global demand where a large number of people in the society are involved, it is often necessary to set up a mechanism of coercion in the form of 'state'. The collective action aimed to form and manipulate the coercive power of state is called 'politics' or 'political movements'. The organiser of the political movement is called a 'political leader' or 'politician'. The leader has to organise people together in an agreement on collective action and enforce it with persuasion or intimidation, bribery or violence. Economic benefits expected from the public goods produced by organised collective action for society may far exceed the cost paid. The political leader may not appropriate the benefit. "The returns to the leader for his cost of organising collective action for the supply of a public

market, the political leader faces a downward sloping marginal revenue curve for increasing the supply of public goods. The marginal revenue for him is the marginal increase in utility from strengthening of power base (increased votes in the case of parliamentary democracy) expected from a unit increase in the public goods provision. The assumption of downward sloping curve seems reasonable since the marginal social productivity of a public goods tends to decrease as its supply increases, with a resulting decrease in the marginal gain in political support from the beneficiaries. On the other hand, the marginal cost is defined as the marginal disutility of his time and effort in organizing the collective action. The curve slopes upwards to the right as the cost of preventing 'free-riders' rises progressively as a greater number of people will have to be organised for an increased supply of the public goods.

Hayami then shows, with the help of simple microeconomic tools, how and when the marginal revenue of a politician would be equal to his marginal cost to satisfy an equilibrium condition. He also discussed the determinants of both revenue and cost. The moot questions are:

public goods will be socially optimum. Whereas a short supply of public goods bedevils the growth of developing economies. However, the over-supply syndrome and the danger that it delivers should not be in oblivion. The supply of public goods -- like any other goods -- has a cost entailed which is financed through taxation. If the costs of a government activity to correct a market failure exceeds the amount of social gain, then the situation represents an over-supply of public goods. "The problem is that government is an organisation inherently prone to oversupply those goods of relatively low social demand at the expense of those public goods vitally needed for economic development".

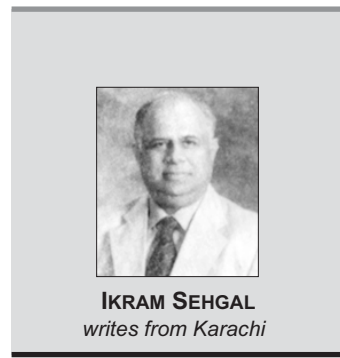
Politicians perhaps are no less economists than economists themselves. They also know (or have learnt to know) the maximisation principle. At the end of the day, what matters most to the politicians or political leaders is maximisation of their likelihood of staying in office. And to meet the lust for lasting in power, budget allocations among various public goods are based on the principle of enhancing political support with little respect for raising social economic welfare. Ipso facto,

of residents in a narrow local community".

Moreover, the government is a monopolist of legitimate coercive power and has no danger of bankruptcy. "In this organisation, therefore, a strong incentive prevails to expand the organisation for the sake of increasing the power and positions of bureaucrats. Since they command a large body of information, which ordinary citizens find difficult to access, they can easily manipulate the information to inflate the value of public goods they want to supply (such as exaggerating the danger of national security to increase military). Also, government organisations are usually less efficient in the absence of profit incentive and bankruptcy incidence. These forces combine to produce oversupply of unnecessary public goods".

Even though social preferences demand a reallocation of resources in the budget -- say from having another presidential palace with modern amenities to primary education with primitive facilities -- bureaucrats and pressure groups tend to resist such reallocation because construction of a new presidential palace might serve vested interest group better than

Strategic options



IKRAM SEHGAL
writes from Karachi

IT was not comfortable being either an American or a Pakistani, for widely differing reasons, in Davos this year. The World Economic Forum (WEF) is normally a love-fest, antagonism is almost never aired in the aura of optimism that is normally prevalent. Because of the aversion of most Europeans towards war in Iraq, Americans (constituting a fair percentage of the 1500 persons attending WEF) found themselves in defensive mode even though the much respected US Secretary of State Colin Powell made an eloquent case for war to topple Saddam Hussain. While one is used to Indians reacting in an offensively defensive manner to our bringing Kashmir on the table, this year the Indians took a back seat orchestrating a world consensus against Pakistan's very existence as a responsible member of the comity of nations. Speaker after speaker recommended coordinated action against Pakistan's nuclear potential, there was no fig leaf of innuendo anymore. The straightforward allegation put us in the business of exporting terrorism. The general consensus was that Pakistan's

nuclear facilities were a potential threat to the world, the premise being that if Musharraf was overthrown, the 650,000-man Pakistan Army would be overwhelmed by "200,000 dedicated Jihadis".

Dangerously out of sync with the existing realities in an increasingly unipolar world, both with respect to our domestic situation and external challenges, this is further complicated by internal shortcomings

the freedom struggle in Kashmir is equated with the international terrorism the US-led world is waging war against. We are in deep trouble for viz (1) not reading the writing on the wall in persisting with our policies of the 90s, (2) the irresponsible rhetoric of some of our leaders and (3) complacency and ineffectiveness in coping with the Indian media offensive. For the most part we are oblivious of the extreme dangers of

with whom we have 1000 year plus history of conflict and (2) have a peculiar geo-political location in a region which is adjacent to the gas-potential which makes the oil rich Gulf Region and Central Asia a vital region for the world. Not only we have an unstable neighbour to our northwest by West (Afghanistan) but because of wrong policy initiatives (and their own policy interests) we have somewhat estranged our

mountain passes, we had to launch "Operation Grand Slam" to capture Akhnu. This led to the Indians coming across the international border and the stalemate of the 1965 war. With the evacuation of the Soviets from Afghanistan and winding down of the war in the late 80s, we switched the offensive posture applied in Afghanistan to Kashmir and engaged the Indians in low intensity conflict. One must

ive alignment and preservation of defensive deterrence" (translated, protecting our nuclear option). We will have to shift emphasis on ideological orientation (better said than done) to economic integration so that we shake off our growing image as an adventurer-terrorist State. We must preserve the nuclear deterrent but reduce the fat of our defense establishments and concentrate on quality, technology and efficiency i.e. more bang for the buck. We should deepen our strategic alliance with China in both military and economic terms while remaining engaged economically and militarily in an increasingly unipolar world with the G-8 countries and the European Union. We should ease tension with India and try economic engagement as a means to address the core issue of Kashmir. We must seriously consider why we are refraining from recognising the State of Israel. Muslim countries such as Turkey, Egypt and Qatar already have diplomatic ties with Israel, other Arab/Muslim countries are more or less poised to do so. So why should Pakistan, which has no direct quarrel with the Jewish State, take a confrontational view to the only other country founded on religious ideology?

National policies must be drawn out of national interests, the only premise before our leadership should be "survival" in exclusion to other priorities, we cannot afford continuing to follow policies that have been found bankrupt.

Ikram Sehgal, a former Major of Pakistan Army, is a political analyst and columnist.

AS I SEE IT

We should ease tension with India and try economic engagement as a means to address the core issue of Kashmir. We must seriously consider why we are refraining from recognising the State of Israel. Muslim countries are more or less poised to do so.... National policies must be drawn out of national interests, the only premise before our leadership should be "survival" in exclusion to other priorities, we cannot afford continuing to follow policies that have been found bankrupt

becoming entangled in issues of primary concern to the rest of the world. The world makes no bones about our being the main sponsors of the Taliban in Afghanistan, who in turn gave shelter to the Al-Qaeda. Despite being a member of the Coalition's "war on terrorism", we now stand accused of giving safe haven to the Taliban escaping the American dragnet in Afghanistan and thus by extension, the logistics and moral support for the resurgence of the Al-Qaeda. By effectively blurring the line between freedom fighters in Indian held Kashmir the adverse international propaganda has successfully merged the concept of "Jihad" into terrorism. Whether we like it or not,

being dragged into the vortex of the deteriorating international situation. Living in a dreamworld largely of our own making, we must prepare ourselves for potential attack on our nuclear facilities. It is one thing to base our strategy on perceptions, it is ridiculous to believe largely self-invented perceptions, "cornerstone of US policy" indeed!

We have three broad strategic policy options, viz (1) non-alignment and neutrality thereof, (2) offensive posture with involvement in low intensity conflicts and (3) constructive alignment and preservation of defense deterrent. The first option is not possible because (1) no country with self-respect will accept such hegemony and that too by those

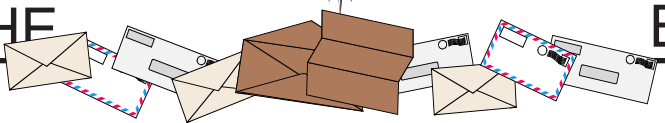
neighbour to the immediate west (Iran). Neither small as Switzerland nor geographically incapable of being out of harm's way of big power machinations, we are not like Sweden to be on the rim of geo-political machinations.

The genesis of the second option can be found in the first attempt to send across infiltrators into Indian held Kashmir after the Hazratbal incident of 1964, this was an unmitigated disaster. Yet the same pattern was used in 1965 in the planning and implementation of "Operation Gibraltar", this led to a far bigger disaster. To relieve the Indian counter-pressure in Azad Kashmir because 12 Division (defending Azad Kashmir) had lost several key

have the maturity to acknowledge that instead of lessening, Indian repression against Muslims in the valley has increased manifold. While Kashmir may have been brought to the centre of the world attention for a couple of years after Kargil as a possible flashpoint for a nuclear showdown (and thus international mediation), it has viz (1) almost exhausted the Kashmiri resolve and (2) 9/11 perpetrators have badly eroded our international standing as a responsible nation. A military solution in the circumstances is outwardly heroic but impracticable.

The only strategic option that we can follow in the present world security environment is "construc-

TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR



Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

Bangladesh Cricket Team-- golfing talent?

I have played cricket at provincial level and represented East Pakistan in 1957-58. Now I regularly play golf. So I know quite a beat of both the games.

One of the basic rules in golf is to keep your feet firmly in place while going through your shot. This is not easy to do and any golfer would agree to it.

I have observed that all Bangladesh batsmen have natural talent in keeping their feet firmly in place while going through their stroke. I suggest that immediately on return from South Africa our cricketers should be asked to give up the game and all of them be made member of Kurmitola Golf Club. I am sure with their feet firmly in place they will make good golfers.

Who knows one of our Tigers may become as good as Tiger

Woods. If they also fail in golf we could send our tigers to the nearest woods to live happily ever after.
Aminur Rahman Dhaka

Appalled!

I am appalled to learn that Manager ASM Faruque and Coach Mohsin Kamal did not attend the post-match briefing after the game against Sri Lanka on 14 February, and that skipper Khaled Mashud Pilot had to bear the brunt. This clearly exposes the poor spirit in the team and also spells one of the causes of our downfall.

The Manager and Coach are both paid employees of BCB, and should be asked to explain their negligence to duty. Pending an inquiry they should be suspended immediately and ultimately removed.

Not only have the two proven to be incapable, they are easily dispensable. While we have better

managers, local national coach Sarwar Imran would be a wonderful replacement. In fact, he should have been appointed in the first place.
S. Abedin Dhanmandi, Dhaka

BTV news vs cricket match

On February 16 BTV cut back to its famed 'News At Ten' in the middle of a very interesting cricket match. It is as if the whole country wouldn't go to sleep without watching the news.

Frankly, we are more interested in the World Cup than the News at the moment. Even though the Bangladesh team are mere tourists in South Africa, we still want to watch the very best cricketers in the world fighting it out. May we ask the authorities of the BTV to switch the news at 8 during the lunch break and shift the news at ten after the day match ends? I don't think we are asking too much.

Haji Mohammad Isam Dhanmondi, Dhaka

Bangladesh's poor performance

I have got an idea. Bangladesh Cricket Board should arrange a unique cricket tournament to be named as Sheikh Hasina-Saber H Chowdhury Gold Cup. It is unique in the sense that in the tournament Bangladesh MENS cricket team will take part with the WOMENS cricket teams of the other Test playing countries.

Saber Hossain Chowdhury will inaugurate the tournament while Sheikh Hasina will give away the Gold Cup to the winner after witnessing the final match at the Bangabandhu National Stadium. Bangladesh will remain as a Test playing country if it becomes the champion.
Iqbal Ahmed Dhaka

Every bite of the

"Toothless Tigers" is fun!

I am offended by lots of people around the globe making weird comments about Bangladesh losing their last 25 match in cricket. This includes BBC Sport's report "Toothless Tigers".

I found it frustrating and irrelevant that people are so much on to count number of win and lose. Sports are not about counting numbers but about having fun. Watching Khaled sending the ball to the boundary or Alok taking a wicket is priceless. Who cares about the result at end of the day?

Please learn to have fun. The world is all about having fun and so is the Tigers in World Cup.
GM Solaiman Babu Santa Clara, California, USA

I have noticed a number of letters in

your daily vehemently criticising our cricket team. But why such fault-finding? Shouldn't we appreciate the fact that we have reached this far? Cricket is the only sports in which we could achieve some international recognition. Shouldn't we feel happy that we are able to participate in the Cricket World Cup? Could we achieve the same in football or any other sports?

At least our boys are trying. Otherwise we wouldn't have reached this far. Now our job is to cheer them, encourage them and most importantly have a positive outlook about it. We have a long way to go.
Munia Hussain Dhanmondi, Dhaka

I cannot accept the loss against Canada. The team should be docked some of their allowances.

In future when Bangladesh scores less than 200 runs against

any non-Test playing country 50% of their match fee should be deducted. It will be a great saving for the BCCB! The system of rewards is in place anyway. Another saving for the BCCB and some companies!

I must add that the behaviour of our cricketers MUST improve on and off the field. Making a century in Dhanmondi cricket ground does not make one a hero of any kind.

Also, lot more training and practice is required before the Bangladesh team is able to put up even the semblance of a fight.

I cannot imagine how Bangladesh scored over 400 runs against India in the inaugural Test played in Dhaka.

Lastly, let's put some honest people in BCCB who know the game and are not susceptible to financial and other considerations.
Javed Helali Austin, USA

women's rights"

Ms Angela Robinson was very aptly hit the crux of the problem (February 15). Men in our country cannot conceptualise the modern independent minded New Woman. Any attempt at self-actualisation of women are therefore met with hostility.

There is a saying, "Reactionaries react, Revolutionaries act." The Bastille Day (July 14, 1789) was instigated by the women of Paris. The February Revolution in Petrograd (1917) was also instigated by women.

I hope the women in Bangladesh would not be disheartened by the acts of the reactionary society and continue in their path of self-actualisation. That in itself is a revolution indeed!
Yahya USA

"Women football and