# The Baily Star

Founder-Editor: Late S. M. Ali

Dhaka, Sunday, September 20, 1998

### Cleaning Up Operation

Even after steering clear of the traditional alarmist streak, it has to be admitted that the floods have given new dimension to Dhaka's environmental problems. Only a huge and collective cleansing operation can keep an environmental disaster at bay. But we are yet to see the kind of organisational drive that the situation demands. Until now the focus of cleaning operation has primarily been on the removal of homeless, floating population that took shelter on the roads and various public and private buildings during the floods. Apart from a highly publicised symbolic campaign for recovering used polybags and the traditionally undesirable movement of foul-smelling garbage filled municipality trucks through city roads at odd hours, there is very little of an integrated allout effort put on display by the authorities.

Given the immensity of the challenge we would like to counsel the authorities to form a task force comprising members from all the utility services and concentrate on a cleaning overdrive. Despite professed sound and fury about the urgency of cleaning operation, the authorities are yet to come up with a specific, area-based plan of action. The triggering effect to involve the society in a participatory cleaning drive, so vital in an expansive crisis like this, is still missing. It is imperative that DCC apart from getting itself into full gear for the task on hand, initiates a moholla-based cleaning programme. It is more than do-able. DCC can and should instruct the ward commissioners to organise youths and students in their respective areas to work in tandem with the local government and NGO work forces. Seeking cooperation from voluntary organisations like Boys Scouts, Rovers for programmes like removal of water hyacinth from the ponds tanks, streamlining garbage collection in lanes and alleys should prove extremely useful. The city management would be well-advised not to see the cleansing job as a one-off effort but sustain the heightened awareness for sanitation that the floods have created.

In fact, if handled properly the aftermath of floods can mark a dawning of a new era in public awareness as far as city's environment is concerned. But for this an integrated action plan with effective participation of all the relevant agencies and departments - DCC, WASA, Department of Environment and Public Health Engineering is needed.

### The Diarrhoeal Challenge

Health Minister Salahuddin Yusuf's week-end press conference from his hospital-bed to reassure the journalists on the diarrhoeal situation turned out to be a bit of an embarrassment for him. Journalists pointed out that government statistics did not reflect reality on the ground.

The Directorate of Health services have stated that only 29 more people died of diarrhoea from mid-July to mid-September this year compared with the toll taken during the corresponding period last year. The current floods have made that

much of a slender difference in the death toll.

The detailed statistics furnished by the control room of the health directorate read as follows: during the two-month flooding period two lakh fiftyfour thousand and nineteen cases of diarrhoea were reported from all over the country. Out of which 227 died but the death figure for Dhaka metropolis showed nil. The information were collected from 47 of the 52 districts swept by the flood waters.

Anyway, what is more to the point is this: the ICDDR.B has reported that the normal daily average of 200-300 patients it handled last year has been outstripped by 900 per day as of now, due obviously to the unprecedented floods. If the Dhakabased ICDDR,B is having to attend to emergency patients of this number it is only a commonsensical inference to draw that the health directorate's control room statistics do not mirror the incidence of diarrhoea in the whole country. For an accurate portrayal of the diarrhoeal situation we must put together not merely the ICDDR,B and government control room statistics but also add the figures of private hospitals and the various health centres run by NGOs.

The WHO consultant for diarrhoeal diseases in Dhaka Dr William has stated that depending on government statistics the WHO is yet to term the situation as 'epidemic'. With the recession of floods, water-borne diseases are likely to break out on a larger scale than before. ORS, water-purifying tablets and sanitation inputs must be available and evenly distributed in all the flood-affected zones with medical teams on hand to treat the afflicted ones. There is no room for complacency.

### **Another Flash-point**

A cross-border war between Shi'ite Iran and Sunnite Taleban-ruled Afghanistan seems imminent with a wider intra-regional conflict as its predictable ramification. But the world has been slow to recognise the dangers facing the traditional ethno-religious ethos of co-existence in that geopolitically highly volatile region.

As the two countries go ballistic over troops movement and threat of scud missile, etc., following the ruthless murder of Iranian diplomats in Mazar-e-Sharif by the Talebans and their refusal to extradite the killers or tender apology to Tehran, the world reaction has been largely confined to making cautionary statements. UN Secretary General Rofi Annan has pleaded with the three countries which recognise the Taleban government — Pakistan, Saudi Arabia and United Arab Emirates — to use their good offices with the Talebans for a peace deal. The US State Department has urged the countries of the region to avert a regional flare-up. A peace offensive is visualised by the US the form of a diplomatic intervention through the informal two-plus-six group which includes Russia, the USA and Afghanistan's six neighbours Iran, Pakistan, China, Tajikistan, Uzbekistan and Turkmenistan.

Pakistan has declared that she would remain neutral if a war broke out between Iran and Afghanistan. Islamabad has also suggested to Tehran that a joint commission be set up to verify complaints about the former's alleged material support to the Talebans. It is time the UN acted with a Security Council mandate to ensure peace and normality in the region.

## Flood Damages and Risk-taking Behaviour

OW that the flood tide has started to recede after more than two months of duration, government policy makers and donor agencies are busy in assessing flood damages and procuring funds for relief and rehabilitation. while NGOs, academics, professional experts, business leaders, journalists, social workers and conscientious individuals are getting together to see what can be done to face the vast trail of disaster that

the flood has left behind. The recently-held (September 15, 1998) day-long Round Table discussion organised by The Daily Star and the Centre for Alternatives under the title "Coping With Floods: Relief, Rehabilitation and Rebuilding the Economy" brings out most of the issues that need to be addressed in order to overcome the calamity and to bring the economy back to its normal level has focused on providing immediate relief to the victims

with food, medicines, clean water, and medical facilities for treating water-borne diseases, proper distribution of relief goods, giving priority to the rehabilitation of agriculture by supplying seeds and other inputs for winter crops, credit facilities and irrigation system etc., income generation by opening up employment opportunities with Food For Works (FFW) and other similar measures, rehabilitation of infras-

law and order. There was also an appeal to the political parties for "rising above petty party interests' sinking "political differences" which in the present political climate seems more like a "day dream" than a real possibility. But a public demand for it should be kept up for future generations of politicians to work together in the face of any national calamity.

tructure and maintenance of

However, the purpose of this article is to focus on two issues (i) an unusual and less commonly discussed topic like peoples' power" brought up in the Round Table, and (ii) the constructive role of the market economy in preparing against uncertainties like natural disasters, which was not discussed in the Round Table Incidentally. I am pleased to see that Dr. Atiur Rahman, senior research fellow of BIDS. has presented some of the long-term measures like the Development of a Disaster Management Plan. Creation of a Rotating Disaster Management Fund by introducing a Jamuna Surcharge-type levy, and by taking In the case of natural disasters, the voluntary and unpaid services of the country's population is critical. One sees that quite often when major disasters occur in a country.

Voluntary Contributions from the rich and middle class people which I proposed in my

last week's column on this page. The more these ideas are discussed in public the greater is the chance of their being accepted and implemented by the government which will be to the great benefit of the future

generation of the country. People as the Society's

Asset From the study of the history of the birth of Bangladesh, or of the independence movement of this subcontinent or of any other country, one is driven to the conclusion that the GREATEST AS-SET OF A COUNTRY IS ITS PEOPLE. Countries without any substantial natural resource can grow and enjoy high standard of living if people are guided properly, while, on the other hand, countries with considerable natural resources may remain underdeveloped and chaotic when people are ignored in one way or another.

Japan and Singapore are

some good examples of the

former while Burma. Nigeria, and Congo are some examples of the latter. How human power is used by a country makes a STHEM SPEEDUCE IN ANY ALSO ALSO STATES facing any calamity. Incidentally, it is a vast and explosive subject, it will be cut short here. However, one may argue that it is only the organised military strength of a country that matters and not the unorganised mass of human beings. I would like to argue that military strength alone can neither win a country's independence nor defend it against any foreign aggression without peoples'

support. The example of Bangladesh liberation war or for that matter liberation movement of any country will support this hypothesis. Therefore, the deep commitment of the people play the most vital role in a country's liberation or defense. Similarly, in the case of natural disasters, the voluntary and unpaid services of the country's population is critical. One sees that quite often when major disasters occur in a country. In this year's flood in Bangladesh, we saw how ordinary people were carrying sandbags, plugging the breaches and holes and guarding the embankment round the clock alongside the armed forces deployed by the government and finally saving the DND embankment, which would otherwise have inundated Narayanganj and Dhaka.

Similarly, when ordinary people were homeless and lost everything during the peak of the flood, we saw how voluntary organizations, NGOs and even non-partisan groups of individuals organised shelters. relief camps and food supplies for the victims. This spirit of dedicated work for the defense of the society when it is threatened whether by a foreign country or by a major natural disaster and helping others in distress is a source of great

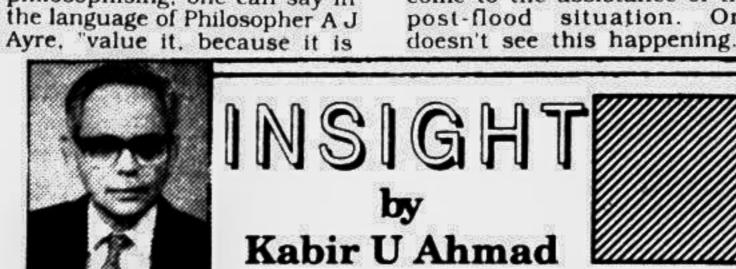
strength of the country. Taking some liberty on philosophising, one can say in the language of Philosopher A J also be kept under leash so that

come to the assistance of the

no additional hardships are inflicted on the citizens at such a crisis time. During war-time, most governments usually impose rationing of essential commodities to make them available to the ordinary citizens at fair prices. With the end of the war, when situations improve rationing is gradually withdrawn.

One hopes that such controls will not be necessary in Bangladesh in the near future. But government has done the right thing by assuring sufficient supply of foodgrains so that market prices remain within the reach of the ordinary consumers.

However, market should post-flood situation. One doesn't see this happening. I



valuable". However, contrast this with ever-increasing terrorism, extortionism, looting others' money and assets, widespread corruption, black marketing and raping and killing of women and children that are going on in the country. For the genuine development of the country, the former should be properly harnessed while the latter should be rooted out with a firm hand.

Risk-taking Behaviour When a natural disaster befalls, certainly it is first the government which has to bear the major brunt since it is the guardian of the society and in a democratic set up it also represents the people of the country. But in a situation of severe crisis, it is clear that government alone cannot bear the brunt. Other social and economic institutions as well as individuals have to share the burden. In the foregoing section. I have indicated how individuals and social institutions have come forward to share the burden. But nothing has been seen so far about the role of the market as an institution coming in the

assistance of the society. In a free market system, market should be allowed to

function properly but it should

want to argue that a widespread insurance system should be utilised before the occurrence of natural disasters to protect the producers of all kinds of goods and services. Essentially, natural disasters are some uncertain events inflicting heavy damages when they occur on both individual market operators and corporate bodies.

Here comes the point of risktaking behaviour of individuals and corporate bodies in market situations.

If there is an expectation that some event may occur with some probability, then an individual takes some precautions against that uncertain event. For example, if one expects that there is a chance of rain today, then the person who has to go out may take an umbrella to protect himself from the rain. This is a rational risk-taking behaviour.

To take another well-known example, if one expects that there is a chance of an accident if one drives a motor car, then to protect oneself against such an eventuality the person should buy an automobile insurance well ahead of taking the car on the road. Now, there are comprehensive insurance and also just the third party insurance. The former costs more since it covers all kinds of possible accidents while the latter costs less because it cov-

ers only one kind of accident. If the individual understands clearly all the consequences of all kinds of accidents and the associated insurance premia, and then buys the comprehensive policy, he is behaving like a risk-averter but if he buys the latter he is taking greater risk, and behaving like a risk-lover. These are matters of attitude of the insurance policy buyers.

However, in a country like Bangladesh where floods and cyclones recur with some regularity and destroy industries, fishing beds, agricultural crops, foodstocks and houses etc., there should be insurance against such eventualities. Since the major cyclone of 1991, the insurance market has provided Flood and Cyclone Insurance policies, under government guidance, but one gathers that very lew, except some lisheries, subscribe them to cover both floods and cvclones.

If these are properly subscribed by the industrialists especially the small, cottage and medium sized industries in the remote distant areas which are easily affected by floods or cyclones, then Insurance Companies will have to pay for the damages. Of course it takes time to assess the damages but in genuine cases they have to pay the claims. There is hardly any buyer of crop insurance in this country.

In this year's flood, the worst hit sector is the agricultural sector for both Aus and Aman crops. Now the entire burden of recovery of this sector has fallen on the government. Had, at least, the rich farmers bought the crop insurance, then a good part of the government expenditure on reviving the agricultural sector would have been borne by the insurance companies. So is the situation with the industrial sector. Reports are coming out that over 6000 industrial units have been damaged and the weaving industry has been annihilated.

If some of these had proper insurance policies, their losses would have been covered by insurance payments. The representatives of the Chambers of industries have approached the World Bank for soft loans to them as an assistance, but the

World Bank has refused.

I do understand the underdeveloped state of the insurance industry in this country. The general attitude among the policy holders is that insurance companies are good in realising the insurance premium but atrociously bad in paying insurance claims. One also sees the corruption scandals of insurance executives in the newspapers. There is hardly any branch of the financial sector free from such scandals. It would be a miracle if the insurance sub-sector were in a strong, healthy position generating ordinary businessman's

or farmers' confidence. To conclude, the insurance culture has not been developed well in this country but if it were overhauled and managed efficiently with strict supervision, it could greatly reduce the financial burden of the government in reviving the economy after devastating floods or cyclones.

#### Conclusions

It is clear that when natural disasters threaten the society on a massive scale, the poorest section, no doubt, are hit hardest and come for assistance to the government, but there are also people who rise up to the occasion to boldly face the disaster and help others.

This deeply ingrained humanistic value should be nurtured and harnessed. Proper insurance culture should be promoted and insurance industry should be overhauled and strengthened so that it can earn confidence of the owners and executives of small and cottage industries as well as the larmers so that when major floods and cyclones hit them they can rely on insurance claims for recovering their po-

After 1988 flood when Ershad's government decided to build Mirpur and DND embankments, it was a rational risk-taking behaviour to protect Dhaka and Narayangan from similar future calamities This decision has paid its dividends this time. I would suggest that to protect villages and small towns from future major floods and cyclones, a decentralised plan should be adopted giving those city authorities and union administrations in the flood prone areas to build flood shelters for the possible flood victims and take whatever other measures necessary to protect themselves against such future eventualities.

The post-flood employment generating programme should be dovetailed with FFW programmes for this purpose.

### A Tete-a-Tete with Vajpayee

The fact that the country had been able to sustain itself after the sanctions and the currency crash in Asia showed that "We are doing very well." He said the price factor bothered him. But otherwise the economy was looking up.

BETWEEN THE LINES

Kuldip Nayar writes from New Delhi

II TY / E lack experience // and often ideas on ▼ ▼ what to do," Prime Minister Atal Behari Vajpayee said candidly when I asked him to go over the 200 days of his government in office and point out its achievements. And as if he was trying to pinpoint the fault he said. "the bureaucracy is a problem." He found it strong and entrenched

It was not a formal interview, just a conversation that lasted about an hour. He was beaming with good health, radiant in the matching mustard kurta dhoti and jacket he wore. He was relaxed, often laughing. Not even once during my stay with him did I get the feeling that he was not well. Why there were doubts about his health? asked him. "It is media's doing, he said. "Television and other cameras catch me in such a posture as would support their thesis of ailment.

But this is not the first time that ugly rumours against Vajpayee are affoat. His own partymen and ministers have tried to pull him down in the past. During the Janata government (1977-79), when he handled successfully the portfolio of foreign affairs, a whispering campaign was initiated against him in the north to malign his character. I will not be surprised if the same people are at

their game once again. Vajpayee stands shoulders above his colleagues in government and in the RSS partvar. They cannot match him in popularity. The next best thing they think they can do is to defame him so that some people somewhere may be taken in by the lies they spread. But he did not seem ruffled. Even when I asked about the differences between him and some BJP leaders. Vaj payee kept quiet. He looked to me as if he wanted to say something. Still he did not

I came straight to the topic of his government's rule of 200 days and asked him what he considered was his biggest achievement since he assumed power. He thought for a while and said: "The Cauvery water agreement. People have welcomed it, in fact, every one. Even AlADMK chief Jayalalitha came round to appreciate it, although she was critical in the beginning.

He took a long breath and said that at least one problem was out of the way. He would like to sort out some other pending issues like Kashmir and the northeast. On the northeast, he said the problem was that there was too much money in wrong hands. When I told him that during my visit to Kohima I found extortionists living in ministers' houses, he nodded in agreement.

He did not volunteer any solution on Kashmir but expected that some settlement with Pakistan would contribute to the solution. He was happy that after his meeting with Pakistan Prime Minister Nawaz Sharif in New York on September 23. the talks on all outstanding is-

sues, including Kashmir, would start in right earnest. "It could have happened In Durban but then Nawaz Sharifji could not make it to the NAM summit

said Vajpayee. "I only hope that they will not postpone the implementation of agreements reached earlier in other fields on the plea that the formula on Kashmir's settlement had not been found yet," said Vajpayee. Whichever problems the two countries are

able to sort out, the agreement

should be put into operation

ing with Sharif at Colombo. "I

liked him. He is a good hearted

person," he said. Sharif, during

he meeting at Colombo, re-

called his visit to Lucknow

along with Begum Nawaz

Sharif. "I told him that I fight

the Lok Sabha election from

Lucknow," Vajpayee said. "My

feeling is that left to him.

Sharif would try to find a way

that the fault of his government

was that it did not contact the

pointed out to Vajpayee

to bury the hatchet with India.

Vajpayee recalled his meet-

opposition to achieve a consensus on important matters something that the previous governments were doing. He disagreed with my assessment: we are talking to them all the time. What breaks the rhythm or harmony is when there are remarks by persons like Congress MP Natwar Singh." Vajpayee did not mention which remark he was referring to but he was highly critical of

Asked why Nelson Mandela's

innocuous remark was played

up so much. Vajpayee said that

it was not his doing. In fact, af-

ter the remark, he sat with his

officials and others and decided

to ignore it since the remark

was too general and had come

from a tall person like Man-

dela. "At the banquet, I only

said that the Indian government

supported the speech minus the

remark on Jammu and

Kashmir. Nothing beyond," said

Vajpayee. The following day

Mandela's deputy came to offer

an apology. The media was

there and they took it up in a big

way. I personally think there

was nothing in the remark to

suggest a third party's interference in Kashmir. After having visited Aligarh

last week and learning about the extra-constitutional doings of UP chief minister Kalyan Singh's son, I told Vajpayee that it was horrifying to find corruption at high places and spreading among their children. I told him that sons were using their fathers' name to make money. Vajpayee expressed his helplessness. 'We should accept it as the fact of life. None can do anything about it," he said. Commenting on Bofors gun kickbacks. Vajpayee said that the probe was going on but Rajiv Gandhi's name was not there. The evidence collected so far was weak for a court case. The only sustainable evidence was against Italian national Quettrachi. His name was already

Relations with Washington," Vajpayee said, "have improved and we should be having good results. I do not know it the present situation in America will come in the way." He was however, sorry to note that the US told Russia not to sell weapons to India. "The Russians have confirmed it to us," he said. (The American embassy in Delhi issued a contradiction to say that America never told Russia to stop selling arms to India.)

Vajpayee had a good word to

the economy. The fact that the country had been able to sustain itself after the sanctions and the currency crash in Asia showed that "We are doing very well." He said the price factor bothered him. But otherwise the economy was looking up. Foreign investors, according to him, were coming in. He was highly pleased with the response to the NRI bonds. "We could have collected more if we had extended the period.

Reminded of the Babri Masjid, Vajpayee said that he wanted the matter to be settled through the court. "We have again approached the judiciary to decide the matter quickly. He assured me that his party would accept the judgment, whatever it was. "As one stage, we had persuaded even the Vishwa Hindu Parishad (VHP), he said. He was unhappy that the police had begun to take sides. 'The kar sewaks did not demolish the Babri mosque, it was the police," he said.

In the same context, he bemoaned the role of police in the Mumbai riots. But he had not liked the Justice Sri Krishna report. It did not take into consideration the bomb blasts which, he thought, were not connected with the riots. "A bit one-sided report," he said

I wanted to bring to his notice the way M F Hussain, the painter, was being hounded by the RSS parivar. But once I saw Hussain's painting in his room I kept quiet. Maybe, this is his way of telling people or others. including the VHP, on which side he was in the campaign against Hussain

### Anomalies in tax depreciation rates

Sir. With the objective of simplifying computation of business income and removing the related complexities the Finance Minister in the Finance Bill proposed the withdrawal of initial depreciation and extra shift allowances and in compensation an increase by 20 per cent in the normal depreciation rate in respect of the assets which were entitled to claim initial and extra shift allowances, was proposed.

In the Finance Act which was subsequently published. while the initial and extra shift depreciation allowances were withdrawn, there was no mention of the compensatory rate increase. NBR has now issued SRO No. 1 (Income Tax) 98-99 dated 20.8.98 revising the depreciation for the relevant assets at only 18 per cent. This would mean a substantial reduction from the existing aggregate rate of 55 per cent for the first year (25 per cent initial plus 15 per cent normal plus 15 per cent shift) and 30 per cent from the second and subsequent years to a revised rate of only 18 per cent, although from the Finance Minister's speech it was clearly evident that the final

rate would be 35 per cent (previous rate of 15 per cent plus enhancement by 20 per cent promised) and no where in the Finance Minister's speech it was mentioned that the existing rate would be reduced. As such subsequent fixing of the rate at a substantially lower scale arbitrarily by the NBR is against the spirit of the Finance Minister's speech and detrimental to the interest of the industrial undertakings and the country as a whole. The aforesaid sudden and drastic reduction in the depreciation rate would spell disaster for the business community by increasing their income tax liability manifold and consequently reducing the shareholder's return and the size of appropriation and reserves on which the viability of a company depend.

This would also seriously damage investors confidence and new capital investment with possible dire consequences for fledging entrepreneurs. Such a consequence will in the long run be counter-productive and negate the government's intention for rapid and unhindered industrialisation. The original intention for introducing the various depreciation allowances such as accelerated. initial, extra shift, investment allowances etc., was to augment and encourage investment and accelerate production.

Foreign Private Investment (Promotion and Protection) Act 1980, Clause 5 guarantees protection to companies with foreign investment from adverse effects of sudden policy shifts. The above change in the policy therefore, will undoubtedly affect adversely all the foreign companies doing business in Bangladesh thus negating the privileges guaranteed by the

Therefore, the following corrective measures are required to be adopted immediately in the interest of the business community and industrial development of the country:

For the current Assessment Year fix the rate of depreciation at 35 per cent for those assets which are entitled to claim initial and extra shift allowances.

Withdraw the relevant provision of the Finance Act in the next year's budget and restore the original provision.

Md Ataul Hoque House No. 448, Road No. 31 New DOHS, Mohakhali, Dhaka

#### Why Banani-Kachukhet road Sir. A newly-constructed

short cut' road between Banani and Kachukhet has been opened for traffic recently Three years back when the construction work of this road began, it was announced that the road was going to be constructed to ease the movement of common people of Kachukhet. Kafrul, Mirpur and Banani. It was also expected that after the completion of this road, "pass" of Cantonment authority would not be required for private cars to have a drive between Kachukhet and Banani and adjacent areas.

But after the opening of the new road between Kachukhet and Bananí the dream of the local people was ruined overnight as previously imposed "pass" system for movement of private cars remained unchanged. Moreover rickshaws which are the main transport of common people of those areas did not get permission to use the new road. Now rickshaw movement through this road is strictly prohibited. So they ply between Kachukhet and Banani through internal road of Cantonment travelling almost double the way and spending double the fare than before.

So I request the authority to allow rickshaws to ply on the newly-constructed Kachukhet-Banani road which are the only carriage of common people of the area and let the private cars move through this link road requiring no "pass".

Mirpur, Dhaka.

### World wars and Bangladesh floods

Sir. Can we compare the human sufferings of World Wars I and II with those of floods of Bangladesh in 1998? It appears that it is more than a world war, a nuclear, biological of chemical war. The entire country is under neck-deep water. Ruins and destructions are scattered all over. Millions of people are running helter-skelter for shelter, food and drinking water, safety and security of life and property. Thousands of people are attacked with waterborne diseases. Never in the known history of Bangladesh the people have fallen in so much of woes, miseries, difficulties and hardships during the current two months of

flood. Is India responsible for the disastrous floods

Bangladesh? Yes we may blame New Delhi for feigning friendship and seeking cooperation with us but doing nothing for joint Nepal-India-Bangladesh water management and flood control in the region. We wonder what is the utility of SAARC and signing various treaties with New Delhi when there is excess onrush of water from Farakka Barrage during rainy season inundating vast areas of land of Bangladesh and there is total stoppage of water from the Ganges during dry season causing ruination of our cultivation, fisheries and environment. We understand New Delhi is now contemplating building another Farakka like Barrage across Brahmaputra river in India. We can no longer sit idle nor

can we commit suicide. We must struggle for our own survival. Whatever government remains in power or comes to power, in our country it is the moral duty of our government to solicit and seek UNO, NAM, OIC. EU and G-7 help and assistance and to create world public opinion for flood control in Bangladesh. Where there is a will there is

O. H. Kabir

6. Hare Street Wari, Dhaka-1203.