The Flood, its Aftermath and Beyond

by M Zillur Rahman

This year the early flood knelt the bell of danger but we did not wake up. We thought the early flood would as usual pass away soon to the sea. But it did not or could not because of the change in the sea level. The early flood continued to inundate new areas and stayed put.

EVERY disaster causes serious disequilibrium to the economy, society and ultimately to the individual inhabitants and other living beings of the land. They vary in nature and extent of fury but cause destructions of immeasurable proportions. Severe floods occurred in this part of the world in 1910, 1938, 1954, 1971, 1974, 1981, 1988 and now in 1998. The 1910, 1938, 1954, 1971 and 1988 were more furious perhaps but the 1998 one seems to be the most devastating because of its extent of coverage — 2/3rd of the country — and duration in respect which it has probably passed all previous records. The other factor causing serious problem is the coincidence of the high peak rise of waters in the Ganges and Jamuna river systems. It happened in 1988 simply causing hazard to life, property, assets and infrastructure.

This year the early flood knelt the bell of danger but we did not wake up. We thought the early flood would as usual pass away soon to the sea. But it did not or could not because of the change in the sea level. The early flood continued to inundate new areas and stayed put. In few places it showed sign of very slow recession but it was momentary. In most places the waters remained stagnant, even in some places with rising trend. The overall situation was a prolonging flood. This was again a warning to the people and the state machinery. But unfortunately, we failed to pay heed to the warning and in disaster management activities. Then suddenly came the second on-rush of waters with the furies and destructions. Bangladesh being the low riparian area is always subject to flooding when there is severe flood in India due to heavy rain and melting of snow in the Himalayas at the upper regions of the Ganges, Brahmaputra rivers systems.

This flood not only has destroyed the infrastructure very severely, but also has delayed the transplanting season for the largest crop Aman. The impact on economy will be catastrophic which a resource poor country like Bangladesh is unable to recoup, let alone development, without substantial foreign assistance. Food shortage including food security may run to 5 m.m tons or more. Import of food will dwindle the forex reserve down to nearly irrecoverable position in near future. Apart from serious dislocation in agriculture sector, I visualize large scale unemployment, sluggishness in manufacturing sector, set-back in export sector and heavy strain on financial sector. All these may lead to total disequilibrium in the already fragile economy.

There was some improvement in the poverty situation. This flood will have serious adverse impact on that scenario. Every disaster accentuates the poverty level. People, particularly the marginal farmers and tenants sell their parcels of land, whatever they have, and become just landless. The persons who were just above the poverty line will be below that due to this downward thrust. Thus in my estimation the concentration below poverty line may rise from 50 per cent to above 70 per cent (the level of 1978, 3/4th of the population). This will be a serious situation plummeting to social disorder and political disarray. Can we afford it? The answer is an emphatic No. We have already delayed to wake up at least by three weeks and now we cannot loose a single moment. The cloud is at the corner.

What are to be done? Any severe disaster is a serious threat to humanity but its aftermath is more severe and more catastrophic if proper assessment is not done and appropriate mitigational measures are not planned and implemented on a war footing. In most cases the experiences in the third world countries are quite appalling. It is of course beyond the capacity of the government to redress the sufferings of the people alone without foreign assistance when the country is in a complete deluge for an unprecedented long period. Therefore we should make up our mind and set to do the needful before the situation is further exasperated beyond repair.

First Thing First: Natural disaster in our country is not a new phenomenon. From time immemorial as far as history recorded the country has been facing distresses like the current flood and cyclones. But we always face them on adhoc basis, until recently. The damage and destruction are sometimes of such magnitude that exceeds the ability of the affected community, society, government and the nation to cope with using own resources. Fortunately, this time the developed countries and the United Nations have responded positively to the cause of amelioration of sufferings of the people.

Now the fundamental question dominates as to how we can mitigate the sufferings by better adopting relief and development process ensuring a greater synergy between the two. Here comes the question of policy planning. Generally such policy planning pertaining to disaster management may focus on the elements of Disaster Management Cycle to make it a complete plan. The modern concept of mitigation of sufferings from any disaster lies in its management. A nation which has raised its capability in disaster management has successfully reduced the hazards of risks. The policy planning involves accurate definition of disaster threat, organizational arrangements which are required to prepare for responding to early warning of threat and recover from disaster events, assessment of resources available to deal with threat and how national disaster policy interlocks with other national policies of development.

Disaster Management

Disaster management for both pre during and post-disaster periods needs short term and long term mitigation measures to be followed up in a continuous process to prepare the people and the institutions to respond quickly to any such event/emergency. In the backdrop of this scenario, the government structural and non-structural (hardware and software) mitigational measures of disaster management can tackle such calamity if properly organized, energized and activated. This has to be done in a full cycle. The present and future mitigational measures from such calamities are discussed below:

Institutions: The institutional arrangement of facing disaster is the software which is a basic need in the disaster preparedness cycle. Fortunately, Bangladesh Government has evolved a very elaborate disaster management institutional set-up from apex to district, thana and union levels. At the apex level there are National Disaster Management Council (NDMC) headed by the Prime Minister, an Advisory Council, Inter Ministerial Disaster Management Coordination Committee (IMDMCC) headed by the Relief Minister, the Ministry of Disaster Management & Relief (MDMR) and Disaster Management Bureau (DMB). At the field levels there are the District Disaster Management Committee (D-DMC), the Thana Disaster Management Committee (T-DMC) and the Union Disaster Management Committee (U-DMC). These committees are comprehensive in compositions representing government and non-government organizations, people's representatives and women except the representatives of the landless poor.

With the announcement of early warning these committees should take all preparations to make the people aware of the impending danger whether it is cyclone, flood, earthquake or drought to make all preparations to evacuate to safe havens, make arrangement for emergency food, medical aid, water supply, etc. The government and non-government machineries should be geared up to face the calamity with action programmes. NDMC will give the policy decisions, IMDMCC will coordinate, MDMR and DMB will monitor and provide feed back, field committees will execute emergency measures including the relief distribution, health care and evacuation by mobilizing the local people, police, BDR, VDP, Ansar, Army, Navy and Air Force. These committees should function as conduits for all emergency relief and disaster management. The political leaders should overview, monitor and provide assistance to these committees. DMB was established in 1993 and till now it has not been able to prepare the model action plans for the institutions to energise them. Had these DMCs been energised things would have been different and political parties would not have the chance to raise the issue of forming all-party Relief Committee.

Prevention: Measures aimed at preventing are impeding or reducing the effects of catastrophic occurrences potential of having harmful effects on community, their properties, land, and means of livelihood. Floods in Bangladesh should not be prevented. We should not advocate for flood control rather we need controlled flooding. Flood should be looked at as way of life because of its beneficial effect on land and fertility. But such measures should be taken, both hardware and software, as to reduce its harmful effect.

Mitigation: Actions should be taken both in respect of hardware and software in the form of specific programmes to reduce the adverse effect of flood disaster on human lives, properties and domestic animals. In the flood prone areas earthen mounds, as in the coastal area known as "Mujib Killa", should be constructed to provide safe havens to the flood affected population with their animals. These raised killas should be provided with tubewells and toilets on top. The base and slopes of the killa should be planted with trees on the principle of social forestry. The burrow pits could be developed for pisciculture the income of which could be used for maintenance of the structure. For use during normal time Prime Minister's Grihayan type barracks may be constructed on top which could be used as schools for mass education, primary education and even weekly market place. During flood emergency these will be used as safe havens.

Preparedness: The early warnings should not be lying with key institutions alone. The DMCs must take them to community and house-hold levels to make the people and the institutions all together prepared to respond to the events. The institutions (DMCs) need to be energised and pro-active. Action plans, creation of task force and training programme should be undertaken to make the key persons in the system, community, individual households prepared for and aware of disaster, disaster plans, inventories of resources required to cope with. Flood is a recurrent disaster and frequency of severe flood is increasing. Therefore the whole nation need to be prepared to meet such calamities both physically and mentally with ready resources.

Response: It involves measures which are generally taken immediately prior to and following disaster impact. The people, the government institutions, the NGOs, the DMCs must be ready to respond to the warnings of flood and act accordingly as and when required to evacuate first the women, infirm, old, infants to the safe havens, arrange emergency storage of food and medicines, mobilize the volunteers during and post flood emergency operations. These are the things which are better done during crisis because at such time the people forget their social and political differences and stand as one. This opportunity must be seized by the government to do relief and rehabilitation work cost effectively.

Recovery: This is both short and long term process. The Central Government, Local Government, community, households and NGOs must have developed recovery plans both short term and long term to put the social, economic and environmental system gradually back to normalcy. This recovery plan has to be interfaced with development plans quite intensively. The ADP should be rationalised by postponing implementation of the less important and non-core schemes in order to divert the resources to recovery plans. In the ADP there are many projects which could be staggered without affecting the development objectives and GDP growth rate.

Short-term Programme: Damages caused by the flood should be rapidly assessed scientifically so that a comprehensive Rapid Damage Assessment Report covering all sectors private and public is ready for rehabilitation. Structural damages can rapidly be assessed by using planes from flying clubs/helicopter and digital video camera. The report on damage assessment using this method will be quicker, cost effective and in close proximity to reality. This scientific assessment will save more resource for rehabilitation/reconstruction because of its near accurate need assessment than following the wild goose chasing methodology.

Priority Fixation: Time is most valuable and it cannot be lost. On the basis of the Rapid Damage Assessment Report, inter sectoral and intra-sector priority has to be determined and immediately the rehabilitation/reconstruction plan be put into implementation. In the priority list, agriculture, roads and highways projects, export- oriented, industries, schools and educational institutions, railways and water ways, health, fisheries, flood protection embankments, hydraulic structures, telecommunication network, housing and rural infrastructures should be assigned top most priority in the development resource allocations.

Agriculture: The staggering of the flood has delayed the transplantation of the main rice crop T. Aman. The production loss of Aman to the tune of 3 million tons may lead to food shortage including food security up to 4.5 to 5.00 million tons. Part of it has to be recovered by Rabi crop, Boro and other cereals like maize quite intensively and extensively. For that matter seeds of black peas (maskalai), wheat, boro, maize, vegetables, etc. need to be procured/available to the farmers on time. Credit, irrigation equipment, diesel, electricity in more and assured quantity should be available to the farmers because short supply of these inputs will jeopardize the production system. Availability of other inputs like fertiliser and pesticides should also be ensured. Agriculture Ministry should gear up its strong monitoring system of the rehabilitation plan so that it can take prompt remedial measures where there is failure and lagging. The medium term strategy by the BRRI should be to develop T. Aman seeds of late varieties to recover the time lost but without compromise of production level. In the event of such calamity we should have the lee way to recover the loss.

Roads and Highways: As soon as the flood water recedes the repair, rehabilitation works of the national highways should be taken up on war footing. The communication must be restored otherwise the recovery of the total economy shall remain in limbo. Along with national highways connecting the capital with the ports and the hinterlands the feeder road networks should also be rehabilitated failing which the over all recovery of national economy will suffer a serious setback. To minimize the time for assessment of quantity, cost and implementation the consultants who provided the same consultancy services for these roads may be engaged as consultants with terms and conditions acceptable to both. Selection of contractor and consultants afresh is a long term process with the R&H Department. This should be discarded for the emergency works but without compromising accountability and transparency. Ministry of Communication must set up a strong monitoring system.

Export-oriented Industries — Garment Manufacturing and Export: The flood has caused serious setback in production and export of the garments. Many plants have been damaged the dislocation in the communication has caused dislocation in maintaining the export schedule leading to stock lot. Garment Industry at present is the leading foreign exchange earner — net 70 % of the foreign exchange earned by the country is contributed by this sector. Preferential treatment should be provided to recover the loss, increase export volumes to earn more forex and halt the plummeting trend in the forex reserve that will be caused by food import. In order to achieve this the government should declare a policy of providing short term loan on soft terms. Banks should be asked to provide prompt services in making credit available quickly, opening of LCs, postpone creation of demand loan, grant moratorium to repayment for a year interest free, rescheduling the repayment. Hartal should be banned to keep the ports functioning, quick disposal of import and export goods by customs at the ports.

The other export industries like shrimp, jute products and non-conventional items should also be provided soft short term credit and other facilities to recover and boost export. Expansion in the export regime should be the key objective for today and tomorrow for recovery and sustainability of the economy. The ports, if necessary, may be handed over to Army and Navy for a period of one year.

Educational Institutions: Many government primary schools, high schools have been fully or partially damaged. These institutions should immediately be repaired and put to normal functioning.

Health Sector: Most of the rural dispensaries, Family Welfare Centres, Thana Health Complexes and even district Hospitals have been affected. These should be repaired and supplies recouped as well as augmented to step up preventive and curative medicare to prevent epidemics.

Telecommunication: The prolonged and record high flood has destroyed telecom infrastructures. Telecommunication is vital for information flow both ways. All sectoral activities will suffer very seriously if the services are not promptly restored. Therefore, the restoration and rehabilitation should precede other sectoral activities.

Rural Infrastructure: The Bangladesh economy is still predominantly rural. It is overwhelmingly influenced by the rural economy. Therefore reconstruction of the rural economy, inter alia, will depend on reconstruction of the fragile rural infrastructure which have been severely damaged and destroyed by this flood. The repair and reconstruction will not only increase the mobility of goods and services but also provide employment to the vast rural labour force who have lost their incomes due to the unprecedented flood.

The income loss must be recouped by rural infrastructure reconstruction programme, Food for Works Programme, Test Relief Programme, Road Maintenance Programme (RMP), VGD and VGF for the slack seasons up to harvest of Rabi crops (wheat, boro, potato, pulses, vegetables, corns, etc.) should be continued. Food may be available in the market but if the vast majority who are now below the poverty line (increased number) will not be able to buy unless they have the income. Food supply is not only the function of production and import but necessarily of income as well. This point in the recovery plan must be remembered by the policy planners and authority in power.

Long Term: This devastating flood is not for once in the country. Therefore agricultural research must develop (a) late transplant Aman variety/varieties and (b) flood resistant broadcast Aman variety/varieties with both longer stems and grains. These varieties must be high yielding varieties (HYV) so that people can beneficially adopt them.

Highways: The National Highways (NHW), must be built at such high levels that they remain above the current year's highest flood level with more openings. In emergencies if the NHWs remain open to important points between capital, ports and district towns, the supplies and services, trade and commerce, emergency relief and disaster management become easier. It is, of course, very costly because the embankments need to be raised and compacted before pavement, all the bridges and culverts probably to be redone, yet it should be considered for a phase-wise programme. The NHWs should be numbered for ready reference and better understanding in the road maps.

Long term disaster management programme should be made fully operational, energised and pro-active. The institutions as well as local government system established at Zila and Thana levels be modified by putting the elected chairmen as head of these institutions. Training to create awareness, preparedness and take action should be imparted with coping mechanism. It has to be participatory and community based. The NDMC and DMB should take a long-term programme to implement the Disaster Preparedness Plan at all levels.

Many experts may not necessarily agree with me but as a conscious citizen I put forward my stray thoughts together which might be of some use to the policy-makers.

(The writer is an economist.)

Indian Economy: Is the Worst Over or Yet to Come?

Paranjoy Guha Thakurta writes from New Delhi

Although the six-month-old government of Prime Minister Atal Behari Vajpayee is exhorting big business to "feel good" about the future of the economy, a series of surveys indicate that expectations of industry and trade in post-nuclear India were at their lowest-ever levels in recent years.

IS the economic situation as stable as is being made out in the context of the Asian crisis? Or has India's economy bottomed out and the worst is yet to come?

Although the six-month-old government of Prime Minister Atal Behari Vajpayee is exhorting big business to "feel good" about the future of the economy, a series of surveys indicate that expectations of industry and trade in post-nuclear India were at their lowest-ever levels in recent years.

As in all of Asia, the free enterprise versus planned economy debate continues in India. But the working of the country's "mixed-up" economy is dependent on so many factors, many beyond the pale of the government, that very few industrialists, economists or stock brokers expect the situation to improve significantly in the immediate future.

The economic report-card of six months of the Bharatiya Janata Party (BJP)-led coalition government since mid-March has been a mixed one. On the positive side, prospects of the near-term stability of the Vajpayee government have improved. There is also broad agreement about the overall direction of economic reforms and the fact that India needs to avoid the mistakes committed in South-east Asia while globalising its financial sector.

To many outside India, the country's economy has not performed all that badly. The Economist Intelligence United (EIU), for instance, has observed that in the midst of the Asian crisis, the Indian subcontinent "stands apart". The pace of economic progress has picked up and political turmoil has been overcome, it noted. "In comparison to its South-east Asian neighbours, India's investment environment remains very attractive," the EIU argued.

Within India, however, there is a greater degree of circumspection. It is pointed out that India grew at the "Hindu" rate of growth of 5.5 per cent for the first three decades of 50 after Independence in 1947. Thereafter, India moved on to higher growth plane but the economy is yet to reach a stage where a six to seven per cent annual rate of growth can be sustained.

On the negative side, however, the political consensus has broken down on crucial economic issues. One is the pace at which domestic industry should be exposed to international competition. Another is privatisation of ailing public enterprises. Inflation has picked up to politically uncomfortable levels. And the hostile external environment has hardly helped matters.

The real rate of growth of gross domestic product (GDP) has come down from 7.5 per cent to five per cent over the last two years and few believe the government's claim that the growth rate would be around six per cent this fiscal year (ending March 1999).

Nevertheless, that has not stopped Finance Minister Yashwant Sinha, a former bureaucrat, from stepping up his public profile. He told mediapersons in New Delhi that he was the "most maligned" finance minister despite having inherited an unenviable legacy of problems.

The media had earlier derogatorily dubbed him "Roll Back" Sinha after he went back on a host of his budget proposals — like increasing the officially fixed prices of fertiliser, petroleum products and import tariffs — following pressure from his own coalition partners, not to mention the opposition.

Sinha, a relatively recent convert to the cause of the BJP, had earlier served as Finance Minister in the short-lived socialist government of Prime Minister Chandra Shekhar in 1990-91. At the fag end of this period, India went through a major balance of payments crisis and even pledged its official gold to raise loans.

Since then, the Indian economy is definitely stronger. Unlike one of his predecessors, Manmohan Singh of the Congress party who initiated the liberalisation programme and had to negotiate loans from the International Monetary Fund (IMF) in late 1991, Sinha today can afford to be far more critical of multinational financial institutions like the IMF and World Bank.

At Calcutta, capital of the eastern Indian state of West Bengal, Sinha last week was the star speaker at a big bash of corporate captains held at the newly-built Science City where he blasted the IMF prescriptions of development for this part of the world.

The theme of the convention was: "Towards India Inc: Strategies for Competitiveness". It was held to mark the silver jubilee of the All India Management Association and was sponsored by the country's biggest cigarette manufacturer, ITC Limited.

That evening, Sinha had to cancel his subsequent engagements in Calcutta after an urgent phone call from the Prime Minister in New Delhi. He had to be present for the first meeting of a recently-constituted economic advisory council to Vajpayee, comprising a dozen of India's best known business tycoons.

The government wants to create an impression that it means business. From the reactions of some of the industrialists who attended the meeting, it was apparent that Vajpayee had achieved some measure of success in conveying to these gentlemen that his government was safely ensconced — at least for a while — and that it was time to get down to the serious business of reviving the sluggish economy.

After the meeting with the Prime Minister, Ratan Tata, head of one of India's biggest private corporate groups, said the interaction was more fruitful than earlier government-industry meetings.

There is an element of irony in Tata's observations, for the group he heads is peeved with the government which has failed to approve the Tata group's proposal to start a private domestic airline in collaboration with the Singapore government which would have provided direct competition to the state-owned Indian Airlines.

There was another, unstated, purpose behind the Prime Minister's confabulation with corporate India's prominent CEOs. A few weeks earlier, Sonia Gandhi, the leader of the opposition Congress party, had informally met a group of business bigwigs in Mumbai.

There were reports that a number of industrialists utilised the occasion to complain to her about the alleged absence of coherence in the economic policies of the Vajpayee government. Some are said to have even urged the Congress party president to step in and topple the Vajpayee government — which has a precarious majority in Parliament — since the state of the economy was deteriorating.

Sonia Gandhi stuck to her position that the time was not opportune for the Congress to topple the government since the party needed time to rejuvenate itself. She said the party's position would be reviewed after the outcome of the November state assembly elections (scheduled to be held in Madhya Pradesh, Rajasthan, Delhi and Mizoram) is known.

While Sinha and others in the government are talking about an impending economic revival from September, a top executive of a jeep manufacturing company openly contradicted the Finance Minister in a newspaper article saying there was no chance of a pick-up before the next six months.

There is considerable concern about the rate of inflation picking up. The rise in the wholesale price index is at its highest in the last three years (over eight per cent) while retail prices have gone up even faster (annual increases in consumer price indices are varying between 12 per cent and nearly 20 per cent in different parts of the country). Against this, the inflation rate based on wholesale prices hovered between three per cent and five per cent for the better part of the previous two years, which have seen two general elections and four Prime Ministers.

The economic issue which attracts the maximum attention from politicians is inflation. What has worked against the government is that much of the inflation in recent weeks has been in food articles. Former Prime Minister Indira Gandhi had made the price of onions a major issue in the 1980 elections in which she was voted back to power. By a strange coincidence, in the third quarter of this year, onion prices have risen to record high levels.

Close to two decades back, the doubling of onion prices to around Rs 5 per kilo gave Indira Gandhi a winning slogan. Today, onion prices are touching Rs 40 a kilo and still rising.

Inflation in India is, of course, low by current Russian standards and the country's currency has not quite taken the kind of beating that the rouble or the currencies of South-east Asia have had to take. Yet, there is a certain similarity in the language being used by Malaysian Prime Minister Mahathir Mohammed and Yashwant Sinha.

India's Finance Minister is under pressure from two quarters. Sections of Indian industry and many among his party's sympathisers want domestic industry to be protected from multinational corporations. This is pressure he can't ignore. At the same time, a liberalising economy can ill-afford to antagonise foreign investors, particularly at a time when powerful western governments are still publicly expressing disapproval of India's nuclear tests.

It is not surprising, therefore, that Sinha continues to make reassuring noises on protecting Indian industry while his government continues the opening up of the economy. The latest example of such opening up was the Industry Ministry's decision to allow fully foreign-owned firms to manufacture cigarettes in India, a decision that has been roundly criticised by one of the BJP's fraternal organisations.

At the Calcutta convention, US professor Paul Krugman, who had anticipated the Asian economic crisis, said India's closed economy had proved to be a "mixed blessing". At one level, he said, the Indian currency had been insulated from the South-east Asian financial meltdown because the country had moved cautiously towards the full capital account convertibility.

At another level, Krugman argued that in relative terms, India still remained behind most of South-east Asia because of its inadequate infrastructure and high levels of illiteracy. He also emphasised the need to step up trade in goods and services. The second most populous country in the world still accounts for less than one per cent of total international trade.

Even as farm production in India is expected to rise by four per cent this fiscal year, this growth would come after a year in which agricultural output dropped by two per cent. Agriculture still accounts for roughly one-third of GDP in India and provides livelihood to two-thirds of its population of nearly one billion.

Expectations of an even higher agricultural growth have been belied by unprecedented floods in various states of northern, eastern and western India. While the government hopes to generate resources by large-scale public sector disinvestment, the modalities are yet to be worked out.

In any case, the success of a disinvestment programme depends on the health of the capital markets. Over the last two years, stock market indices have not gone up at all, barring scrips of infotech and pharmaceutical firms.

Whereas India's performance over the last year has been much better than those of the former Asian tigers, analysts contend that the country still has a lot of catching up to do. China's official growth rates remain higher than those of India's and the last two years have seen a considerable deceleration in the growth rates of manufacturing and exports in particular.

Exports had grown by nearly 20 per cent in US dollar terms for three years in a row but over the last year and a half, the growth rate is barely four per cent. Industrial output, which had gone up by over 12 per cent in 1995-96, increased by under 8 per cent the following year and just over 4.5 per cent the year after that. During the current financial year, the index of industrial production is not expected to rise above this level.

All in all, despite all the official dissembling it is not a very situation for a shaky government to be in, say economic analysts. Hence Vajpayee is exhorting corporate captains to tell the government what needs to be done to lift large segments of industry out of recession. And despite the best intentions of India's present political and industrial leaders, the expected kick-start to the economy through public spending may not materialise in a hurry, the analysts say.

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TOM & JERRY

By Hanna-Barbera