No Easy Answers to Energy Questions

NE US Senator once said, "Everybody's ignorant only about different things." Most Americans. according to him, were blissfully ignorant about what lay behind their gallon of gasoline or oil because it had always been abundant and cheap. There had been little reason to ask any question until the scenario dramatically changed in the mid-1973.

Complexity of the oil industry is such that there are no quick and easy answers to many of the questions we want answered now. It is also why there are so many misconcep-

Our most difficult problem is to try and understand the role that prices and profits play in providing incentives and capital to accomplish new exploration targets on the scale nec- society. essary to obtain further hydrocarbon prospects.

in the mid-1970s, due to OPEC. major international oil companies announced record net profit increases in 1974. While ues to happen. There is also no oil-producing countries made denying the fact that our exbillions of dollars between 1974 and 75, oil companies' profits also soared. Losers were the consuming nations. Tidal ral gas, that too not in abunwaves of capital for exploration dance, is the only available and development of gas fields commercial energy resource also became too strong to and the hydro-potential is very

the front page of the leading exploration for and exploitanewspapers in the industrially developed world, it became ob- as solar and wind power have vious that we, too, needed to not yet been solved in our counknow a few things: the size of IOCs' business, their way of institutional support from the working and its impact on our government for development of economy. The first and fore- new and renewable resources. most task was to address these issues in a comprehensive say, is immediate and shortmanner. So, in 1974, the gov-term now, without underminernment initiated an Energy ing the long-term goals. More-Study with the assistance of the over, the issues related to en-ADB and UNDP. An energy ergy face undue interference, strategy for implementation of projects was formulated. But. the planners found out soon, for a workable energy policy and legislation to implement it, understanding its economics as well as certain controversial issues related to it was crucial. The process, unfortunately, lost its way in the political turmoil brought about by the military coup of August 15, 1975.

Quite a few reasons stand in the way of resolution of our energy problems in the near future. We do not do our homework right and, therefore, rely on the foolhardy advice and recommendations from the foreign consultants. Our own professionals, engaged in different organisations, prefer to

spend most of their time and talent to please their bosses.

who, in their turn, are driven by the fear of losing their positions acquired with political blessings. Professionalism is on the wane. Worse still, objectivity is becoming irrelevant. Consequently, many of us tend to embroider the past that seldom makes meaningful impact in building a forward-looking

Many professionals, I am

certain, can thoroughly define When the prices of oil soared our energy problems, but due to undue influence of foreign consultants under donor-funded studies, the inevitable continperts know that we are not so lucky even amongst developing countries in this region. Natulimited. The technological and When the energy crisis hit economic problems related to tion of new energy sources such try mainly because there is no Our real energy problem, I dare particularly in the decisionmaking process. The major problem lies there. Indeed our energy problems did not develop overnight and I presume there implementation activities have been very slow and the processes are being complicated

bureaucratic tangles. source. It has played so far an important role in the country's economic development. Without an ever-increasing supply of gas from the beginning, the power sector, in particular, might not have reached the level of growth they have achieved today. Therefore, had gild their expenditures, much to

Natural gas is a versatile resource. It has played an important role in the country's economic development. Without an ever-increasing supply of gas from the beginning, the power sector, in particular, might not have reached the level of growth they have achieved today. Therefore, had Bangladesh been compelled to import primary energy (like oil and coal) for generation of electricity, the country's balance of payments would have been disastrous by now.

by Nuruddin Mahmud Kamal

Bangladesh been compelled to import primary energy (like oil and coal) for generation of electricity, the country's balance of payments would have been disastrous by now. Of the present per day generation of electricity about 2400-2500 megawatt (on average: the highest so far being only 2650 Megawatt against an installed capacity of about 3680 Megawatt), almost 85 per cent or over 200 MW is gas fed. The contribution by gas has led to huge saving brought about in the country's oil import bill. Without gas, the oil import bill would have been at least four

times higher than it is today. It must also be noted with caution that natural gas, when entirely depleted, would lead the country to a serious energy supply problem. In 1971, consumption of gas was hardly 50 million cubic feet (MMCF) per day. Now it is almost 950 MM-CFD i.e. roughly 18 times higher. Projection for gas use is even higher. So, the country's natural gas has been and will continue to be of enormous development value. The international oil companies (IOCs) are now operating alongside Petrobangla/BAPEX and investing in exploration and development of gas in the country.

But the IOCs cost, both capi-

tal and operating, has so far

been exceedingly high. It is not unlikely to presume that instead of cost-cutting and cost control, IOC expenditures are being inflated as has already been observed while scrutinising the claims of Scimitar's Jalalabad exploration, Cairn's (now Shell) Sangu exploration were no conspiracies to create and development, and Occidenshortages. In fact, our project tal's (now UNOCAL) exploration accounts. Unfortunately, Petrobangla does not posses the capability to monitor expendiby the transaction costs and the tures being incurred by the IOCs. It simply does not have Natural gas is a versatile re- adequate know-how, either financial or technical, nor are making any serious effort to improve its in-house capability, nor even hiring specialist companies to monitor and audit the ledgers, bills and books of accounts. Consequently, the 10Cs are merrily continuing to

the discomfort of Petrobangla and the government.

Today, some of the seniormost bureaucrats would hopefully recollect the influx of Arab students in the mid-1970s in the US educational institutions. Those trained personnel from the Arab countries, Malaysia and Indonesia occupied the driving seat of energyrelated organisations, even private companies in the Middle East and South East Asian countries respectively. The first six production sharing contracts (PSCs) in the mid 1970s for off-shore oil exploration in six-blocks provided an annual budget of one million US dollars by each IOC for training of Petrobangla and government officials connected even remotely with the country's energy sector. Yet, it is alleged that, full advantage of the nonrefundable training fund under PSC was not fully availed then and is not being availed even now, rather the officials use this fund for frequent visits abroad. It is also deplorable that Petrobangla's recruitment of fresh graduates from the universities have almost come to a standstill over the previous several years, let alone training them. Unless some serious effort is made to upgrade the capacity of personnel involved in the energy fields, the political and economic targets of the country would remain unful-

Sometime back, in the early 1990s, I read a story that illustrates an important point about the present day energy problem in our country.

Creator of Sherlock Holmes, Sir Arthur Conan Doyle, while in Paris, one day called a taxi, threw in his suitcase and got in Before he could say a word the driver asked. "Where to, Mr

The surprised author said. "You recognised me?" "No", the driver replied. "I've

Conan Doyle?"

never seen you or your photo-"Then how do you know I'm

Conan Dovle? "Well," the driver said. "I read in the paper that you were

ger I deduced you were a writer; you have the keen look of a medical man; and the cut of your clothes is English. Putting all together, I felt surely you must be Sir Arthur Conan Doyle. Sir Doyle was amazed. "From the way you recognised me from all these small

vacationing in the south. I no-

ticed you arrived on a train

from Marseilles; you have a tan

that comes from spending a

week or more in the sun; from

the inkspot on your middle fin-

observations, you yourself are the equal to Sherlock Holmes." "There is one more thing,"

said the driver. "What is that?" Conan Doyle

"Your name is printed on

lems, unless they are clearly state enterprises could develop spelled out, we don't see them coming, even if there are definitive clues. In retrospect, we can see now what should have been deduced earlier. We now have to think, plan and act to avert more serious consequences. One of our greatest weaknesses is complacency. Once the headlines and the A-B gas pipeline problems were over in Petrobangla in 1998, and some new power plants came into operation, there has been a growing tendency to believe that we don't have gas supply problem or electricity problem - that the name on the suitcase is somebody else's!

There may be no such thing as a crisis to end all crisis, but at least the dropping of the energy bomb has opened our eyes to see how connected everything is from the ankle to the neck. Unfortunately, we have not been able to secure the correct roadmap as yet. Nonetheless, there are always stories behind stories. The situations that led to the dropping of energy bomb passed through crisis, intrigues and dramatic incidents where allegedly the international oil companies were involved.

Iran's Prime Minister Dr Mosadegh nationalised oil operations, in came back-door intrigues, riots, bloodsheds by a

group of wrestlers and butchers with open sword in the streets of Tehran that eventually led to his ouster. The king, Reza Shah Pahlevi, had already fled the country. Much later it became a public knowledge that CIA had been directly involved in the machination (The Invisible Government by David Wiser).

Meanwhile, the major oil companies suffered a setback in Iraq, the fourth largest Middle East oil producing country. General Abdul Karim Kassem took over the government through a military coup and he reversed the pro-western policy in oil production and market ing. He wanted the Iraq Petroleum Company, with its British, French and American ownership to relinquish the majority of the area of its monopoly oil concession. But that began the longest deadlock in the history of the oil industry. The oil companies and their governments were not sitting idle. Soon the scenario changed. This time the casualty was General Kassem. He was overthrown and brutally killed.

On the Fareast, in Indonesia, President Sukarno passed an Oil and Gas Law in 1960, which, in effect, nationalised the oil As regards our energy prob- industry, providing that only hydrocarbons and foreign companies could work as contractors. This posed a serious problem to the concession owners -Caltex, Shell and Exxon etc. They were not ready to give up both management control and the exclusive right to set oil prices. Then came a deadlock for long time years. In 1963 President Sukarno issued on ultimatum which came as a bombshell to the oil companies. They hatched a new conspiracy. President Kennedy and President Sukarno finally settled the three-year controversy in three days but the nationalist leader of Indonesia was overthrown shortly afterwards and in came, through the kitchen door, General Suharto.

The OPEC, which was created in 1960, was still struggling to assert itself. Sheikh Tariki, the Saudi Oil Minister the man who organised OPEC and was too much of a firebrand, was dismissed by the King reportedly on the advice from external powers. Dr Zaki Yamani was inducted as the new oil minister of Saudi Arabia. He provided the OPEC prudent leadership before he, too, For instance, soon after disappeared in the desert of

Arabia one fine morning. The writer is a retired Additional Secretary and former Chairman, PDB

The Gift of the Gab by Alif Zabr

It is claimed officially that the figure of literacy has reached 60 per cent. If that be so, the voters would be more critical and discriminating, and can make up their minds better, than when the literacy rate was half of this figure. Literacy is a tool and a weapon, and it hits suddenly, where and when least expected.

THE DS editorial of June 24 ("Oh, Those Wagging Tongues") hit the nail on the head. But the head (of the Bengalee) is missing! Most of the input, processing, and output comes from the heart (note that the heart is at a lower gravitational level than the brain). There is congestion and traffic jam (as in Dhaka) between the head and the heart. This highway must be clear, well maintained, and critically monitored. We are good in loitering, but not monitoring.

In the field of art and literature, the mind and the imagination play key roles. But if this principle is misapplied to the sensitive field of politics, we get what we have now - the deplorable condition of the nation, thanks to the gift of the gab of our politicians, led by, not the head, but the tail of the political leaders. The monkey business continues merrily. amidst the gentlemen and the ladies. No hard feelings - we are exposing our weaknesses. and having a critical look at the shortcoming.

The honourable politicians have sadly, but unwittingly, betrayed the nation, as being not yet fit for the national responsibility of governing this poor nation, for which they were bred and brought up (we voters did a poor job of it, we must admit). This (political) culture cannot be imported, as it must be 100 per cent deshi (local) and khanti (pure). It is available (not freely, but for a price) in bhejal (adulterated) form; and this contamination is giving the society the gripes, since independence (1971), or, even earlier (1947). Our probationary period is being extended again and again, and we have failed so far in transferring the incumbents from adhoc to regular

Who were the baby-sitters or nannies who brought up the OGL (open general licence) politicians? The general masses are too impoverished to take care even of themselves. This default advantage is being exploited by the political community, to the disadvantage of the country. The situation has coming Election-2001.

rulers is no longer to be trusted.

now reached a crisis on the eve of the general election next year. A drastic change in approach is called for: but how to bring it about?

One remedy is to replace complacency with surprise. When you take something for granted, it is a shock when things happen otherwise. The Awami League presumed and assumed it would win the general elections held in 1990; but it missed the bus, to the surprise of the majority. What did not tick? This is an issue of endless debate in the non-political drawing rooms. The outcome of the next general election cannot be taken for granted. In fact, it may be a turning point in the way politics is being currently cultivated.

Good politics cannot survive without a change in the present political culture and approach. The politicians cannot bring it about with internal forces; as external influence is necessary, to create the leverage or fulcrum effect. The new political weather is building up, waiting for a catalyst to trigger the whole operation, cascading into a shower of surprises (non-violently, it is hoped). The time for reckoning has arrived, because the load is in a state of disequilibrium. Nature has its own way of cleansing things up, and this political problem in Bangladesh is no exception. We are on the take-off point, and

all obstacles can be bypassed. It is claimed officially that the figure of literacy has reached 60 per cent. If that be so, the voters would be more critical and discriminating, and can make up their minds better, than when the literacy rate was half of this figure. Literacy is a tool and a weapon, and it hits suddenly, where and when least expected. It is said that it is not possible to surprise the overconfident politicians. What if they cannot read themselves, once in a while?

Vote bank and vote power are different issues, when empowered vote banks are considered. The political poverty in the LDCs have to be empowered in the right direction. Watch the

The Concept of Self-determination: A Threat to World Peace and Stability? TEW tensions began to get

out of the ground in the international scene of the post-Cold War era as some peoples in different parts of the world raised their voice to establish their 'just right to selfdetermination,' as can be exemplified by the secessionist movements in Chechnya, Bosnia, Kosovo, Ethiopia, Indonesia, India, Sri Lanka and other countries. As the states, from which these people struggling for self-determination would like to secede in order to form their own states, cannot allow these moves for the sake of the concept of sovereignty, they must use their military and other means to check or eliminate those movements of self-determination. However, this very concept of self-determination is closely linked with terms like nationalism, nation-state, nation etc. As the world is moving fast toward the path of globalisation and thus its regions are getting interdependent, the question now arises how much viable and justifiable it would be to draw the boundary lines of the world territory into micro-states by following the spawning demands of self-determination.

Deep down the history of self-determination, it can be learnt that this concept was devised to stop ethnic violence and to give due honour to the aspirations of different ethnicities by allowing them to establish their own independent homelands. Strobe Talbott, US Deputy Secretary of State, wrote an article - 'Self-Determination in an Interdependent World - in an American journal Foreign Policy in which he argued that the policy of self-determination could not be a viable mechanism to root out the ethnic problems sweeping all over the world. In his opinion. other mechanisms should be devised in order to redress the tions, democracy can be consid- the commonalties of ethnicity, ered the most enduring means language, religion, culture, that to bring forth redress to this ongoing problem. Whether the ism. concept of self-determination. termed by some as "simply nation coinciding geographiloaded with dynamite," can really act to address the ethnic

whether democracy can be an alternative way to bring a solution to this problem will be taken into account in this arti-

Concepts of Nationalism

mination and nationalism are often interchangeably used. One of the most dynamic forces for political change and action in the modern world is nationalism. A dominant factor in past centuries in shaping the nations of Europe and America, and at the root of many wars, nationalism has now become the most important, in which great empires have disintegrated and in which the longoppressed peoples of Asia, Africa and Latin America have awakened to claim the right to sovereign independence. Taking into consideration the problems pertaining to nationalism, James Anderson thinks that nationalism is one of the most powerful forces in the modern world and one of the most problematic. He further adds ronments and yet it has firmly stamped its mark on the politionly legitimate form of government is national self-govof two elements: an ideology centralized about the idea of nationality, and the political institutionalization of that ideology into the national state. Theories relating to modern state demand that a state can be strongly cemented and integrated only when the people is, belong to the same national-

The ideal of the state and the cally in the nation-state derives from several sources. These are and nationalistic problems and democratic aspirations of na-

and Self-determination

The concepts of self-deter-

tions and nationalists to achieve states of their own and the wish to reform or democratise existing states. Conversely the achievement of statehood or of greater access to state power, however limited, makes it possible for at least some classes or factions of the nation to fulfil aims which would otherwise be unattainable. In the twentieth century. Europe discovered that the matter of nationalism was not so simple. The empires were indeed destroyed, but in their wake came not few but many claims to sovereignty, claims that were both overlapping and conflicting. How were they to be adjudithat like a chameleon it cated? First Europe and then changes its complexion to blend the world embraced two rules with different political envi- for deciding the location of borders. One is the principle of selfdetermination and the other is cal map. Despite different the principle that the existing colours of nationalism its focal borders are sacrosanct and point is always political. In- should not be altered. The two deed, nationalism as a political are not always compatible. Ofdoctrine holds that humanity is ten they are in conflict. In the naturally divided into cultur- conflict over whose national ally distinct nations, and that demands are lawful and legitimate, one side went to war to change borders in order to ernment within the nation make them conform more state. Nationalism is a mixture closely to the principle of national self-determination while the other fought to retain existing borders. The problem remains that both are rooted in history and logic and neither can be eliminated. Resolving the anomalies depends on finding a compromise between the two. The Paris Peace Conference dilemma and, among the op- comprising the state belong to that convened in 1919 prosovereignty would be apporfulfilment of national aspira-

Guaranteeing equal treatment of all citizens can be an effective antidote to the upsurge of ethnic and other types of nationalist violence. If democracy is so restructured that all the ethnic groups are equally treated and the national facilities and resources are evenly distributed as far as possible among different groups, then addressing the ethnic problem can be possible under a democratic system without resorting to the principle of self-determination.

by Sheikh Abu Faisal Md. Murad

applied, nor could it have been. The norm of inviolability of borders was bolstered by the Cold War as both the United States and the Soviet Union worried that trying to change existing borders had the potential for creating conflicts into which they could be dragged, with enormously disastrous consequences. With the re-demarcation of borders based on national aspirations in the post-Cold War era, for example, in the case of the former Soviet Union and Yugoslavia, the problem was that peoples who had been part of political majorities, became, all of a sudden minorities and vice versa, leading in some places to violence on a large scale. During the Paris Peace Conference of 1919, Woodrow Wilson's Secretary of State, Robert Lancing, wrote of self-determination in his diary:

"The phrase is loaded with dynamite. It will raise hopes which can never be realised. It will, I fear, cost thousands of lives." Nationalism defines people primarily in terms of belonging (or not belonging) to a particular country and culture which it designates as a 'nation.' Nationalism is simultaneously backward-looking and forward-looking in the sense that a remote past, typically a concocted heroic version of it, is used to highlight the inadequacies of the recent past and the present with a view to pointing towards and mobilising support for progress to a fuclaimed that the allocation of ture thoughtfully better constructed. The question of the use tioned on justice, defined as the of different forms of nationalism depends on the distinctivetions. Borders were to be drawn ness and diversity of environso as to put people of the same ments and scenarios under nationality in a single which such nationalist or sesovereign political unit. But cessionist movements foment this requirement was not fully up. As under no adverse situa-

tion a man has been able to have his right implemented unhindered, he has to take off and on the path of violence. As Buchheit said: "If history were a chronicle of the voluntary association and disassociation of groups, there would be no need for a doctrine of self-determination. It is the distinct absence of such a peaceful evolution of mankind's social organization which ultimately gave rise to the principle of self-determination as the twentieth century's primary expression of disapproval of involuntary political association." In fact, people claiming to be united under the banner of some type of nationalism are willing to be governed under the government made by themselves, not imposed by others upon them. As John Stuart Mill has argued: "Where the sentiment of nationality exists in any force, there is a prima facie case for uniting all the members of the nationality under the same government, and a government to themselves apart. This is merely saying that the question of government ought to be decided by the governed. One hardly knows what any division of the human race should be free to do if not to determine with which of the various collective bodies of human beings they choose to associate themselves.

So a group of human beings gets united on the basis of a number of commonalties in order to form a state with the government that would serve their interests. Again, if a small group from within the larger group even thinks of getting oppressed and alienated under the existing state mechanism, they can demand secession from it would serve this group's interests. In order to legitimatise

their demand, they can evoke the principle of self-determina-

Can Democracy Act as an Alternative?

In democratic societies, only objectives that are hopelessly extreme force their proponents to desperate strategies. Adoption of extreme goals, or lack of alternative means, or a combination of the two, can result in terrorism. Ted Robert Gurr in crease the potentiality for con-Why Men Rebel has argued that flict and conflict escalation. political violence is a conse- Furthermore, a divergence of quence of a significant gap de- interests, as each ethnic group veloping between the value ex- puts forward its case for rightpectations of a given group of ful share of scarce resources. people and the value capabili- increases the plausibility for ties of the group. He argues that conflict and conflict escalation there remain three possible pat- within the body politic. It is terns of relative deprivation: mainly the feeling of deprivadecremental deprivation, aspirational deprivation and pro- a people to secede from a terrigressive deprivation. Decre- tory under whose rule their mental deprivation occurs sought-for goals have been when the value capabilities of a given population decline drastically because of one or several national disasters. Aspirational deprivation occurs when the value capabilities of a group remain constant while its value expectations are on increase. Progressive deprivation occurs when value capabilities stabilise or decline after a period in which value capabilities and value expectations have increased together. Sigmund Freud in his article Why Men Wage War has shown that war originates when man finds his respected values and culture threatened and trampled by others. Harold Laski has said: "no doctrine, however evil, moves to the use of force unless it is rooted in profound grievance which it sees no other way to remedy." He also adds facilitated, the people all over in order to make a state which that violence comes when the the world desirous of reaping

that the bona-fides of their

defined as collectivities of indiby ethnic minorities on the penism to mitigate any conflict that may arise, but also intion and alienation that drives

If an ethnically diverse, geographically sprawling state wants to protect itself against separatism, protecting the rights of minorities and farflung communities can best do this. When a government system has been so structured that the interests of all the people living under it have been duly honoured without discrimination on the basis of race, religion, colour, language, ethnic origin and so on, there is little chance for the rise of ethnic violence. This being the age of globalisation, which demands the inactivation of the highly criss-crossed borders of microstates and the revitalisation of greater states so that the flow of capital, goods and people can be facts persuade men to believe benefits from this process of globalisation would rather like

to live under a bigger state. In a Armed separatism is a prodemocratic political setting, a cess whereby an ethnic group government is formed on the basis of the consent of the peoviduals who feel a sense of be- ple and is expected to rule with longing based on cultural traits an eye to the aspirations and - usually some combinations interests of its governed. of religion, language, and social Democracy is the political sysmores - and notion of common tem outstandingly structured to ancestry, seeks to secede or gain ensure self-determination. It autonomy from the control, de can be a mechanism for peacefacto and de jure, of a given ful secession. Again, it can act state, through an organised and as the best antidote to secespurposeful use of force, alone or sionism and civil war. For, in a in combination with other truly democratic state, citizens means. Separatist movements who seek to run their own lives can be considered to be attempts have peaceful alternatives to taking arms against their govriphery of state power to attain ernment. But if the democratic political autonomy from the system is formed on the policy governing power of the centre. of the winner-takes-all-seats. The fragmentation of values then the interests of the minorwithin the body politic not only ity will not be properly impleimplies an absence of a mecha- mented. So there should be a mechanism in the constitution so that the basic interests of the minority, especially the vulnerable groups, can be guaranteed even in the case of a change in the government.

Concluding Remarks

When a people feel alienated, deprived and discriminated against under a particular state, they try to evoke the policy of self-determination in order to legitimatise their demands of building a separate homeland. The problem with the policy of self-determination is that a state can keep on disintegrating with demands of making new states from within it whenever different groups make their new demands of secession in different atmospheres and times. So the principle itself is not a means to international peace and security. It only begets new demands for creating states to a smaller extent, thus making the functioning of the international organisations like the United Nations more complicated as then they have to deal with a colossal number of smaller states. Only guaranteeing equal treatment of all citizens can be an effective antidote to the upsurge of ethnic and other types of nationalist violence.

The author is Research Associate, BIISS.

Garfield ®











