

## Opposition voice in parliament

Speaker has a pivotal role to ensure it

WE are disappointed that the demands of some opposition MPs to discuss issues that are indeed of immensely vital importance to Bangladesh, in the current session of the parliament, did not meet with the Speaker's approval. With the Parliament due to adjourn today, issues like, among other things, the Aug 17 bombings, on which 25 adjournment motion notices were given, the grenade attack on AL rally, and the spiraling prices will not have been discussed at all or in the way these ought to have been. Thus, we have not only lost an opportunity for the House to address the burning national issues, we have lost also an opportunity to add to the culture of parliamentary debate, something that is so woefully lacking in Bangladesh.

In a democratic dispensation, where the parliament is the centerpiece of all legislative activity, participation of the opposition in parliamentary debates not only gives life to the parliament, it also adds to the very notion of checks and balance and ensures transparency of the government, that is so vital in a democracy.

Since its inception the current parliament has gone without the participation of the main opposition party except for some brief interludes here and there. The excuse that one often hears the Opposition offer for their abstention is the lack of opportunity to say their bit in the House, without which they feel, the very purpose of attending Parliament is defeated. While we do not believe that the main opposition should abdicate the duty that the people have elected them to do, the allegation that they are not given enough opportunity to speak in the House does have some merit.

The Speaker plays the most vital role in drawing in the opposition MPs who think it fit to remain out of it, by allowing them adequate time to speak. And the Rules of Procedures of the House allow ample opportunity to the members to ventilate their views.

While the Speaker, with the Business Advisory Committee, is the sole judge of what is to be accepted for discussion under various provision of the Rules, we feel that at least some of the adjournment motions by the opposition MPs should have been allowed, given the nature of the issues that were to be addressed.

The Speaker could have been more flexible in considering the notices.

## A long overdue step taken

Welcome recourse to professional legal advice

AS it is, our tax base in relation to the potential for revenue collection is ludicrously narrow. And, to top it off, if those who are taxed should evade the levies, or assessment disputes should get bogged in all sorts of protracted legal battles, how much nibbling the sense of loss must be in terms of internal resource mobilisation!

The National Board of Revenue (NBR) creaking under the pile of 7000 cases of unrealised taxes amounting to Tk 2,500 crore has hired four lawyers by virtue of a cabinet decision allowing for recourse to professional legal consultancy from outside the government. It has already started making an impact, not only by way of speeding things up but also competent handling of the cases. Had the step been taken earlier, the NBR would have been that much more free of case-load and the national coffer richer by hundreds of crores.

The High Court, in a complementary move, on the suggestion of the NBR, has also formed three separate benches to deal with the pending cases, so that one can expect an expeditious disposal of cases from this point on.

The Attorney General's office has been too heavily burdened by the enormity of cases arising mostly out of executive actions in which it has to represent the state, so that it has little time left to attend to cases of NBR origin. At the same time, the Accountant General's office has a plateful on its hands. All this explains why the NBR cases have only extrapolated.

The fact, however, that the government has agreed to harness lawyers from outside the Attorney General's office is break with a meaningless tradition and, as such, a big step forward in reaching out to the larger professional world of commitment and skill. All that we look forward to now is an extension of the same spirit whereby lawyers of merit and competence, regardless of their political beliefs, or perceived affiliations, are chosen to handle cases. The same principle should also apply at the prosecution stages, if and when involved.

# GDP growth and income inequality

DR. ABDULLAH A. DEWAN

ADDRESSING a summit-level plenary meeting of the United Nations on September 15, Prime Minister Khaleda Zia, mentioned six major achievements of Bangladesh: sustained GDP growth rate of over 5 percent in the last 10 years, improvement of living condition, food security, managing natural disasters, improvement in physical quality of life index, and success in key social sectors.

The PM claims that efforts are being made to strengthen democratic institutions and ensure good governance and the rule of law. She did not forget to mention about the "show and tell" institutions of Anti-Corruption Commission, office of Tax Ombudsman, and independent human rights commission soon to be constituted. The PM added that separation of the judiciary from the executive is underway.

The PM tried to depict a positive image of her country, as expected. But why was she required to do that? Why claim things that cannot be backed up with evidence? Anyway, she probably failed to mislead anyone. Otherwise why would she return home with a legal notice from the International Committee for Human Rights for possible violation of human rights? Why would prominent US lawmakers including Senators Edward Kennedy and John Kerry send a letter to Secretary of State Condoleezza Rice to ask President George Bush to raise the issue of political violence in Bangladesh at the summit?

The US lawmakers asked for initiatives to prevent "catastrophic terrorism" and the possibility of Bangladesh becoming "a failed state and a base of operations for international terrorist organizations." Might this be the reason why Secretary of State Rice made a courtesy call on Prime Minister Khaleda Zia at Grand Hyatt hotel New York on September 15? The PM must be credited for all the successes of her government and she must equally take the blames for all her failures. Unfortunately, her failures are staggering and indefensible.

On progress in attaining the millennium development goals of halving the poverty level she said her government has set a target to achieve it by 2015. An NGO report released to the press on September 13 underscored that at current rate of poverty alleviation it would take some 81 years for Bangladesh to eradicate poverty, and reduction of

- Foreign imports;
- Investments (generated through personal savings);
- Maintaining prisons and feeding the criminals (who contributes little or nothing to future GDP);
- Payoffs to corrupt officials and politicians;
- Default loans;
- Misuse of government properties

ous when one finds that social progress is improving slower than economic progress. Social progress manifests the overall quality of life in a nation, and is measured by "International Index of Social Progress" (IISP). IISP examines and assesses 40 desirable aspects of life including quality of health, education, environment, level of democracy, mili-

lower income inequality than in other developed countries like US and UK (source: The World Bank).

As the statistics in the table indicate, lower social progresses of the nations where incomes are shared unequally (US, UK) indicate GDP per capita overestimates average incomes in these countries. Living standards that remain relatively

potential.  
• It deteriorates business confidence in domestic markets. It discourages economic entities about commitment and trust. Higher risks of conducting business and higher costs of enforcing contracts impede economic transactions and hence depress investment.

• It handicaps economic policy makers from using some policy instruments at crisis times. For example, "pricing" -- a public finance tool loses its functionality in highly unequal income distributions. As the need for energy efficiency arises, unequally distributed national incomes would turn off authorities to raise prices due to fear of poverty and mass upsurges.

• It is, therefore, no surprise that Bangladesh has been experiencing all three ramifications with increasing vulnerability to worsening economic and political fallout. There is evidence which claims that some pro-poor growth (PPG) policies may lead to higher income inequality and higher poverty levels in the short horizon. For example, if the adoption of capital intensive projects increases the demand for skilled workers (relative to the unskilled ones) inequality will likely increase. There are published case studies which showed that PPG is likely to be different in different regions of the same country depending on the variability of farm productivity, amount of land ownership, basic education, health service, and cultural diversity.

Growth theorists contend that the distributional impacts on income may not be discernible during the initial phases of development, as an economy transforms from a rural culture to an urban environment and from agro-base to industrial frontier. Over time, inequality would show positive signs of convergence as the labour force in the industrial sector expands and that of the agricultural sector contracts. Unfortunately, we do not see such signs of convergence in Bangladesh for all these years of sustained growth.

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Many non-economists and politicians obscure the fact that a simple arithmetic mean such as per capita GDP fails to represent average level of income. The per capita GDP is only one indicator of a country's economic strength. The World Economic Forum has recently formulated what it calls the Growth Competitiveness Index, which is based on defining three factors as being critical to economic growth: the quality of the macroeconomic environment, the state of a country's public institutions, and a country's technological readiness. All three factors are remarkably lacking in Bangladesh.

poverty by half will take nearly 24 years. By official admission nearly half the population (70 million) is living below the poverty line.

When the PM claims that the economy has been growing over 5 percent for the last 10 years, the poor families do not understand what it meant for them, and where this growth goes. This sustained real growth of 5 percent is questionable. It seems the government wants to keep it at 5 percent whether it rains or shines, droughts or floods, inflation or deflation. It is laughable that the politicians quote real GDP growth at 5 percent when the inflation rate is 3 percent; they still quote it as 5 percent although the inflation rate has increased to nearly 8 percent.

The May 15 Poverty Monitoring Survey Report (2004) of the Bangladesh Bureau of Statistics indicated that per capita income increased 17.51 percent at the national level, but the share of the growth attributable to the non-poor is a disproportionate 19.38 percent, and that of the poor is a mere 4.82 percent. This explains why the plight of the poor is becoming worse. More specifically, where does the GDP go? The GDP is a demand-side accounting, which is expended approximately as follows:  
• Government expenditures;  
• Private consumption and business profits;

- by ministers and high officials (travels, vehicle use, telephones etc);
- Remittances and shopping in foreign countries;
- Non-vocational and non-GDP contributing educational endeavours;
- Money laundering across national borders for non market traded goods;
- Labour union activities (protests and lock-outs);
- Opposition destroys part of the GDP (about 2.5 percent) by recurrent and whimsical hartal observance.

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The hypothesis that GDP per capita is representing real average income less and less becomes obvi-

IISP Ranking	Country	GINI Value	GDP Per Capita
1	Denmark	24.7	\$28,900
2	Norway	25.8	\$33,000
3	Sweden	25.0	\$26,000
4	Australia	35.2	\$26,900
5	Netherlands	32.6	\$27,200
6	France	32.7	\$26,000
7	Germany	30.0	\$26,200
8	Italy	27.3	\$25,100
9	Finland	25.6	\$25,800
10	Belgium	28.7	\$29,200
Average:	-	28.8	\$27,430
13	UK	36.8	\$25,500
27	US	40.8	\$36,300
Average:	-	38.8	\$30,900

tary spending, etc -- it is the grade of a country's ability to provide a good standard life. IISP reflects a life standard both qualitatively and quantitatively in a way that is superior and more revealing compared to GDP per capita, which merely and misleadingly refers to quantitative standards.

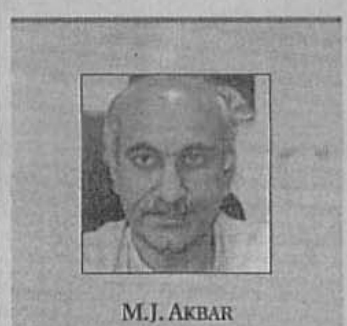
The United States, the richest country with highest average income in the world in terms of GDP per capita, ranks only 27th on IISP criterion (using 2003 GDP data). As hypothesised, the top 10 countries displayed in the table with a more evenly distributed national income have highest life standards according to IISP. Using the "GINI Index," which reflects the level of income inequality, these countries show a

constant is a strong sign of GDP per capita's lessening meaning. Based on IISP criterion, Bangladesh would rank with the poor African nations as one of the states failing to meet the aspirations of its people.

Growing income inequality has major economic and political ramifications:

- It aggravates the misery of lower income groups (which constitutes the majority) more than others. They become frustrated with their income status, and therefore join or support movements to change government and regimes. The resulting political unrest increases the risks and uncertainty of investment and discourages foreign capital flow. Lower inflow of capital undermines a nation's growth

## Unsettled weather



M.J. AKBAR

DR Manmohan Singh's government is not unstable. But it is unsettled.

After the six-year stretch of Atal Behari Vajpayee's NDA it is not possible for a Central government to be unstable anymore. Power in Delhi is now an equation in arithmetic. If two plus two equals 272 then there is no reason on earth, or in heaven, for anyone to ruin the distribution of office that constitutes a coalition government. All you have to do is keep adding some very flexible chips till the pile crosses the magic majority number in the Lok Sabha. And it will be as stable as a pile of chips at a casino, as long as you don't gamble. Don't risk anything for big rewards and you can always remain ahead of the game.

Flexibility is a far better glue than ideology, as the BJP's partners in the NDA repeatedly proved, particularly when they became flexible over the gruesome Gujarat riots. The BJP returned the compliment, like a good, rubbery partner. Three core issues catapulted the BJP from relative obscurity to comparative prosperity: the demand for the construction of a temple to Lord Rama at Ayodhya; the passage of a bill in Parliament ensuring a uniform civil code; and the abolition of Article 370, the statute by which Jammu and Kashmir is constitutionally a part of the Union of India. All three were

jected the moment BJP ministers took the oath of office.

No comparable fissures afflict the United Progressive Alliance now in power. It may not be very progressive, but it is an alliance. Or, more accurately, the principal partners may have radically different views on the definition of "progress" but they have consciously abstained from the tug of war that can split the fabric. (How did fabric, a solid, virtuous word, evolve towards fabrication, with all its salutary implications? Could it be

where's the problem, comrade?

The other group that could do Dr Singh in, of course, the Congress. Its motivation would be logical: it would thereby force a general election in which it could significantly improve upon its numbers, which are only as good as PV Narasimha Rao and Sitaram Kesri delivered. There is enough disarray within the BJP to tempt Congress calculators. A general election would have the additional merit of not only depleting the enemy but also clearing the air of

obvious fact for far too long. However, in conventional politics, such truths are reserved only for opponents. You don't dish them out to friends, particularly an ally to whom you have declared undying fealty on the eve of a crucial election. Bihar will return to the polls in less than four weeks, and Rahul Gandhi's verdict on his ally Lalu Yadav's government will echo through the thicket as Yadav fights desperately for survival. It may be difficult for Rahul Gandhi to campaign now for the alliance, because

politicians, but they still want to win elections. Lalu Yadav knows that votes get trapped in mud, and he is always watchful about the direction from which mud is being slung.

There are other parts, smaller, that do not fit. Shibu Soren in Jharkhand does not suit the cleanliness standards that Dr Manmohan Singh correctly demands and the Telangana separatists have an agenda that is a direct challenge to the Congress ethos and conviction. The Congress will not divide Andhra

great promise in which everything seemed possible. The government is now entering the noon of its life (time does not pass evenly in power). The sun is harsher, reality more visible, and sweat can be discerned on more than one brow. The group should sit together and write a second minimum programme. If the first was of minimum proportions, then this should be minimalist. There should be about a dozen essentials rather than a hundred wannabes.

There must be detailed and honest analysis of where the government, as well as each of its constituents, has reached since coming to power in Delhi. They should then discuss where they should, or can, go. There should be a political section as well as an economic agenda. The partners must define their territories on the political map, and shake hands against poaching. Dozens of bridges have to be planned to cover the innumerable pitfalls lying ahead. They should then pull out a three-year calendar and measure options against a timetable. The reinvention or rebirth of the Dr Manmohan Singh government can be celebrated from that weekend.

Just now, the great sin is a sense of ad hoc-ism. The Left discovers what has happened in Washington after it has happened in Washington. Others are bystanders while politics erodes a bulwark in Bihar or Andhra Pradesh. Some compulsions become too regional for the national interest, which must be the principal interest of a Union government.

Dr Manmohan Singh is a great believer in economic transparency, and probably induced more corrections into the economy than any finance minister before or after. He has to now lead the way in political transparency. Indian politics is not very holy, but it is Biblical in one sense: it does not live by bread alone.

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## BYLINE

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because of the spin put in the weave? There may be clues here for Prime Ministers who now cannot survive without plunking a spin-master's face in front of television cameras on their behalf. They insist on doing so even when the chap is spinning at 78rpm instead of the required 33.)

There are only two political blocs that can threaten the Manmohan Singh government's stability. The first, unsurprisingly, is the Left. But what could the Left gain from such adventurism? The Left has never been as powerful as it is now, dining off the high table in Delhi, master of the kitchen in Bengal, and heady with the aroma of five fulfilling years of power in Kerala after the next election. The Congress has been eager to sacrifice its version of economic reform at the drop of any red flag to keep the Left on its right side. So

dubious friends, Lalu Yadav being among the latter. But, as the old and wise proverb tells it, a bird in hand is worth two in the bush. Why tempt fate in this casino when you can enjoy the power placidly for four more years? And who knows which way the chips will turn then.

Then why should the government be unsettled? Because the parts do not quite add up to the whole. Any tremor exposes a mismatch, and tremors are inevitable in the governance of a nation as complex as India. Cándour can be seismic. One rumble was heard this week, and is doing the subterranean rounds.

I don't know how right Rahul Gandhi was in his belief that he could have been Prime Minister of India at the age of 25, but he was spot-on when he said that there was no governance in Bihar. This has been an

doubtless his opponents will remind him of his remarks at every campaign stop. This is not just another election: it is literally do-or-die for Lalu Yadav, because if he loses power in Patna the ground beneath his feet will cave in. This was why Lalu Yadav virtually forced a nullification of the last Assembly election. If he is defeated, his bitterness will extract consequences.

Cándour is a rare tactic in Indian politics, and a refreshing one. Rahul Gandhi's straight-from-the-shoulder stuff will appeal to his core constituency, the young, who are fed up of the saccharine hypocrisy that sustains so much of political rhetoric. But in order to exercise such candour, Rahul Gandhi needs a Congress majority as big as his grandmother's in 1971, if not his father's in 1984. Ideology is not a problem among

Pradesh and hand over Hyderabad to a parochial group that in any case is too weak to bring down the Union government by itself. Mrs Sonia Gandhi hands out an irregular jar of honey each time the Telangana child begins to bawl. However, that bawl is threatening to become a brawl. And little brawls grow up to become a skirmish.

There is a way to calm the simmering unease. Dr Manmohan Singh and Mrs Sonia Gandhi should send out an invitation to all the UPA partners for a quiet, friendly weekend by the sea. They should then bring out the Common Minimum Programme, tear it up into tiny bits and throw it into the sea. That programme was drawn up, in a bit of a hurry, last year after the election results; a new dawn was lighting up the horizon, and the sky was flush with the rosy tint of

# Will New Orleans vanish like Atlantis?

KAZI K. ASHRAF

AFTER the levees broke, the spilling of flood waters from Lake Pontchartrain into the large bowl-shaped site that is the historic city of New Orleans was just one effect of Hurricane Katrina that lashed out at America's southern gulf coast on August 29. The surge of water gushed onto the rest of the country too, sweeping away the complacency and sense of bravado that typically characterised America.

The media images that were beamed out immediately were harrowing and heart-breaking. Nearly three weeks later, America is still trying to grapple with this unprecedented devastation that seems to have struck at the heart of its existential and psychic core. But it wasn't the hurricane or the flood that turned the tide so to speak. It was the man-made disaster that followed the natural calamity.

People first fell at the fury of the hurricane and flood, they succumbed yet again to the lethal ineffectiveness of the governments, both local and federal, to respond to the crisis as thousands of people fled to what they considered as sanctuaries. The refuge turned out to be a hell on earth. The scenes and stories from New Orleans' stadium and convention center where people sought relief were incredibly gruesome. And the flight of people, displaced and disoriented, with misery writ large on them, constituted the largest and most horrific urban exodus in recent times.

The entire population of New Orleans has now been evacuated and half of the city still remains under water. When the water is finally pumped out of the city over the repaired levees (and that is the only way to get the water out), estimates are that there may well be thousands of deaths. All this would make it the worst disaster ever to hit

the US. Katrina and New Orleans could very well be America's next turning point.

The inexcusable mishandling of the situation opened old and submerged fault-lines of race and class. In the minds of many it revealed a classic American divide, as TV commentator Chris Matthews noted, in the imagery of white Americans leaving by cars and poor blacks left to fend for themselves. There was no bravado and banter this time as one would often see when Americans faced calamities. Tears and desperation, and anger and rage too, formed the Katrina scenario. For once, television reporters failed to maintain their tailored demeanor as they grilled authority figures. Louisiana Senator Mary Landrieu cried openly as she flew over New Orleans witnessing the devastation to her dear city.

Will New Orleans live, or will it sink like Atlantis? Atlantis was a legendary city in Greek culture of

which even Plato wrote about. It was a place of high civilisation located somewhere in the Atlantic Ocean and which was said to have disappeared into the sea in a convulsion of nature. Floods have come to New Orleans before, but will the city rebound from this unprecedented devastation? Dhaka has experienced floods, as has Mumbai recently, but neither city has descended into such appalling human conditions and was quick to recover from similar watery disasters. Buildings in New Orleans are almost all of wood; a week under water makes them rot like cardboard boxes. With various kinds of obvious regulations, people are not permitted to build as they like, thus impeding some immediate and self-help responses. Many evacuees, now scattered and sheltered in adjoining states and who have lost everything in the depth of the murky water -- home, valuables, jobs, and precious memorabilia -- do not see them-

selves returning. And yet others do, and will have to. People like Wynton Marsalis and Harry Connick Jr., celebrated jazz musicians from the city of New Orleans, cannot but imagine that their fond city, a city without parallel, will disappear like Atlantis and will not be reincarnated from its now watery burial. It is very clear that New Orleans, even if rebuilt as one of the greatest urban reconstructions ever taken in recent times, will never be the same city.

New Orleans is a unique American city but it is built on two vulnerabilities, one human and the other geographic, both of which have magnified the current tragedy. Rich in heritage and a unique blend of cultures, New Orleans is the birthplace of jazz and blues (the airport is named after the legendary trumpeter Louis Armstrong), fusion cuisine, and the renowned Mardi Gras festival. The city is known for its ritual of bands playing at a funeral procession exhibit-

ing the city's ethos of "mourn in birth and celebrate in death" (but who knew that there would be a celebration of such macabre dimension). And yet New Orleans was one of the poorest cities in the US (and the people most affected by the tragedy were these poorest poor), with terrible a record in crime, homicide, and drugs. And it appears that these marginal people inhabiting the other side of legend-ary New Orleans were the ones who fell through the cracks of the faulted relief efforts.

The geographical location of New Orleans is unique too. Like Dhaka, New Orleans is a deltaic city, a place created by a romance with water. Mark Childress writes on "What It Means to Miss New Orleans" in The New York Times: "On a foggy night the moon grows fat and full, and hangs in the sky above the big old river. It pours light on the water and makes a magical brown glitter that doesn't

exist anywhere else. The water is the reason the city is there. The full moon pulls the tide into Lake Pontchartrain." Positioned precariously on a topographical and ecological tightrope, New Orleans was originally built on a marshy land between the Mississippi River and Lake Pontchartrain. The city is below sea level, and the alluvial deposits under the city make it sink gradually, all of which required the construction of levees to protect it from the watery surrounds. The location also makes New Orleans one of the most important seaports in the US (and core of the country's major oil supply, all of which still remains disrupted), and yet geography may be the bane of the city.

New Orleans will resurface in one form or another but it cannot help but underscore what ecologists and geographers have identified as larger roots of the calamity: the reckless endangerment of the environment and the unimpeded

use of fossil fuel. These scientists have bemoaned the scale of nature's fury on New Orleans on a combination of causes: human intervention in nature without working with its rhythm, the destruction of wetlands along the Mississippi river, the gradual sinking of the city in its alluvial depth, and the increasing evidence of changes in the global climate.

They warn that the first brunt of these calamitous changes will be faced by coastal cities and regions all over the world, cities like New York City and regions like Bangladesh, all of which are precariously close to the sea level. New Orleans may not be the turning point only for America. The destruction and misery in New Orleans is perhaps the tell-tale sign of a coming "world order." The fate of Atlantis perhaps awaits many.

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