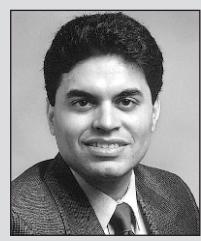


The case for a global carbon tax



FAREED ZAKARIA

writes from Washington

And yet, the Bush administration's record on energy and the environment is shameful. While they may have the right critique of Kyoto, they have used it as an excuse to do nothing, surrendered energy policy to special interests, subsidized polluters and killed or watered down every measure that would spur innovation or create a new energy framework for the future. They have been weak leaders, bad policymakers and poor stewards of the world we live in. That's not a sign of "personal virtue," it is personal and public vice.

THE Bush administration made two notable statements on energy policy early in its tenure. They were both highly controversial. The first was that the Kyoto accords, as negotiated, were "dead." The second was Dick Cheney's declaration in a 2001 speech that "conservation may be a sign of personal virtue, but it is not a sufficient basis for a sound, comprehensive energy policy."

As it happens, both are accurate

and should be at the heart of any new, ambitious policy to tackle global warming and energy use. If you haven't fainted yet, let me explain what I mean.

The administration had several narrow-minded and callous reasons for rejecting Kyoto, but among its main arguments was that the accords did not include developing countries and, thus, were ineffective.

To understand why that is correct, consider one simple statistic.

During the Kyoto time frame (that is, by 2012), China and India will build

almost 800 new coal-fired power plants. The combined CO2 emissions from those plants will be five times the total reduction in CO2 mandated by the accords.

Here's the math. These 800 new plants will burn about 900 million extra tons of coal every year. By 2012 they will have emitted about 2.5 billion tons of CO2 into the atmosphere. During that period, if the countries that have signed the Kyoto accords implement them fully -- a big "if" -- they will cut their CO2 emissions by 483 million tons.

Understanding the causes and cures of global warming is actually very simple. One word: coal. Coal is the cheapest and dirtiest source of energy around, and is being used in the world's fastest-growing countries. If we cannot get a handle on the coal problem, nothing else matters.

Kyoto represents old thinking: if the West comes together and settles on a solution, the Third World will have to adhere to that template. It's the way things have been done in international affairs for

decades, perhaps centuries.

But, today, power is shifting to the emerging markets. China, India and Brazil will have a greater impact on the globe in coming years than Europe will -- for better or worse. A new Kyoto would start the other way around. The United States should work out an agreement with these three countries. That would become the new template, defining what further actions are necessary and possible.

Getting China and India to stop burning coal will not be easy. It's the cheapest way to fuel their growth. While officials in China are more attentive to environmental issues these days -- in part because China now has the dirtiest air and water in the world -- they are highly unlikely to do anything that will significantly undercut economic progress.

Nandan Nilekani, CEO of the Indian technology giant Infosys and one of the few Asian executives genuinely concerned about environmental issues, says that ultimately the industrialized world will have to provide subsidies to devel-

oping countries to build "clean coal" plants. "Right now in India, and I assume in China, plants are built through competitive bidding. The lowest bid usually wins. You will have to create a subsidy for clean coal to make it the lowest bid. Otherwise, the dirtiest will win."

There's an obvious problem with this model -- where will the money for subsidies come from? -- but there's another glitch as well. The technology for clean coal doesn't really exist yet in a form that can be widely used.

There are various pilot projects and experiments but nothing that is, as yet, economically viable. Both problems can be solved by the same simple idea -- a tax on spewing carbon into the atmosphere.

Once you tax carbon, you make it cheaper to produce clean energy. If burning coal and petrol in current ways becomes more expensive because of the damage they do to the environment, people will find ways to get energy out of alternative fuels or methods.

Along the way, industrial societ-

ies will earn tax revenues that they can use, in part, to subsidize clean energy for the developing world. It is the only way to solve the problem at a global level, which is the only level at which the solution is meaningful.

Congress is currently considering a variety of proposals that address this issue. Most are a smorgasbord of caps, credits and regulations. Instead of imposing a simple carbon tax that would send a clear signal to the markets, Congress wants to create a set of hidden taxes through a "cap and trade" system.

The Europeans have adopted a similar system, which is unwieldy and prone to gaming and cheating. (It is also unsustainable if Brazil, China and India don't come onboard soon.)

A carbon tax would also send the market a clear and powerful signal to develop alternative energies. Daniel Esty, a Yale environmental expert whose new book, "Green to Gold," is a blueprint for new thinking about the environment, argues that the only way forward is a "transformational approach that creates incentives for innovation and alternative energy."

The way we think about these issues is old-fashioned. We're still trying to limit, regulate, control and inspect. We need to become much more market-friendly. Put in place a few simple rules, and let the market come up with hundreds of solutions. We're not even 10 percent of the way down such a path."

In the end, everyone realizes that innovation is the only real



solution to the global-warming problem. And that's where Cheney is right. Conservation and energy efficiency are smart policies, but not enough.

In America over the last three decades, almost all machines and appliances we use to power our lives have become significantly more efficient (with the exception of cars). And yet, we consume three times as much energy as we did 30 years ago. Why? Because rising living standards mean rising energy use.

We can slow down the growth,

but some increase is inevitable. We have more efficient air conditioners. But now we air-condition our whole house. Our bed lamps conserve power. But we also plug in two phones, a BlackBerry and three iPods.

And yet, the Bush administration's record on energy and the environment is shameful. While they may have the right critique of Kyoto, they have used it as an excuse to do nothing, surrendered energy policy to special interests, subsidized polluters and killed or watered down every measure that

would spur innovation or create a new energy framework for the future. They have been weak leaders, bad policymakers and poor stewards of the world we live in. That's not a sign of "personal virtue," it is personal and public vice.

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Tall order, fat hope, slim chance: Restoring order in Bangladesh



Finally, instead of being ambivalent and promising a special brand of "home grown" democracy, the government should be rather relying on the people -- not elected, unaccountable governments -- to deliver democracy, socio-economic justice and political freedom in the near future. By relying on the people, this extra-ordinary government can punish the criminals and recover the stolen wealth, and repair the tarnished image of Bangladesh.

TAJ HASHMI

I find Charles Dickens very handy in explaining the state of the state of emergency in Bangladesh. One is not sure if the country is going through "the best of times" or "the worst of times." While the height of optimism would be the glorification of the period as a prelude to taking the people to "heaven," the cynical view would be to ascribe the situation as a precursor to taking them nowhere but "hell."

Welcomed both at home and abroad, the state of emergency seems to be the last resort for the weak and desolate, honest and powerless people in the country. Consequently, despite the present government's harsh measures, such as abrupt raising of fuel price by withdrawing state subsidy, the

vast majority, irrespective of class and political affiliation, are supportive of the emergency.

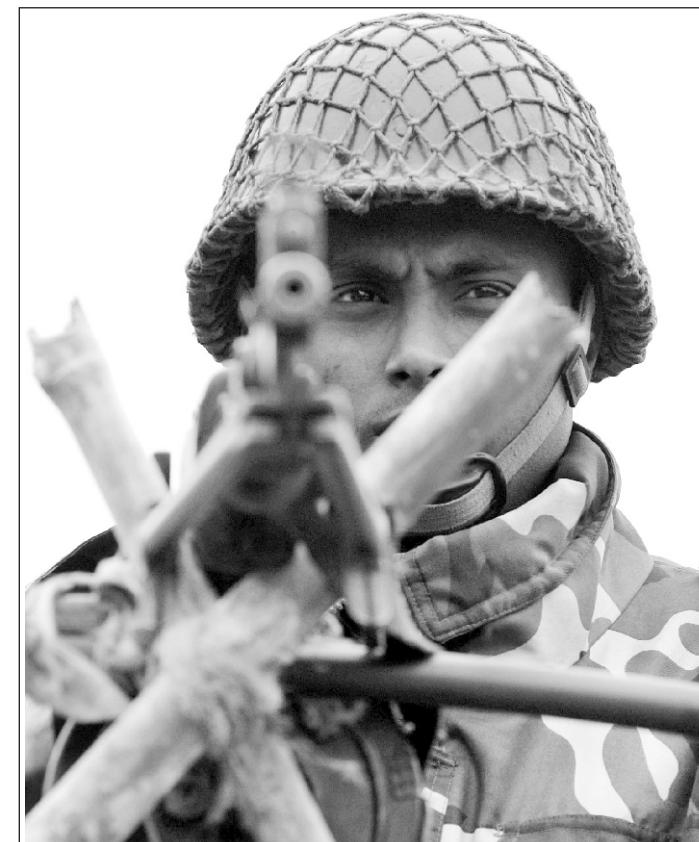
They are so sick and tired of the anarchic situation that prevailed during the democratically elected regimes in the past that they do not seem to mind the suspension of some of their fundamental rights during this interregnum. Since the so-called democratic regimes in the past had hardly any respect for democracy, the rule of law, human rights and human dignity, and ran the country as a personal fiefdom, the people in general have no qualms about "losing" the elusive and non-existent fundamental rights.

However, as William Milam has aptly pointed out, "even civilianised military interventions have a limited shelf life in Bangladesh;" and covert military intervention without any

"specific agenda and timetable for restoring fully civilian sovereignty" might backfire ("Remember the past, enjoy the interval," Daily Times, April 4).

In accordance with this train of thought, we may draw attention to the following slips and momentary failures of the present government in taking advantage of its popularity to smooth over the obstacles to good governance, growth and stability:

- Lack of transparency and sense of direction.
- Failure to bring more corrupt people under detention.
- Bringing flimsy charges against the handful of detainees said to have robbed billions from the public coffer.
- Relying on traditional judiciary and outdated laws to incriminate the fabulously rich and powerful



criminals having political connections.

Undoubtedly, it has done certain laudable jobs, especially with

above all, improvement of the law and order situation.

Although these measures seem to have raised the hope and confidence levels of the people, they are not sure (like most analysts and observers) whether this government is (a) a temporary, momentary arrangement or (b) it has a long-term program, albeit with sketchy and fuzzy agenda.

Despite not having any constitutional backing, this caretaker-cum-emergency interregnum is better than what Bangladesh had during the last twenty five years, from Ershad's autocracy to Khaleda's dynastic oligarchy.

And, as I have mentioned above, the popularity of the current government by default is a by-product of the abysmal failure of politicians to behave, and the high hopes people have reposed in this government out of sheer frustration with politicians.

Otherwise, the government will have to face scores of embarrassing questions and suggestions; as some Western diplomats have already done by asking when the elections would be held or, even worse, suggesting when they should be held, violating all norms of diplomatic etiquette and protocol.

Since this is an extra-constitutional government in an extra-ordinary situation, it cannot afford to commit an irremediable blunder by conforming to the ordinary law dispensed by our judiciary.

good work, and not worry much about the constitutional and legal implications and intricacies, with the best of intentions, or niyyat, only aiming at salvaging the nation from the morass of corruption and misrule.

It is high time that we see the real picture brought out of the sealed packet. We want the government to tell everyone, straight-forwardly, that it is an extra-constitutional (if not unconstitutional per se) quasi-military interim government which has come into being to defend the constitution and protect the people of the country from the evil politicians, bureaucrats, traders and others. We believe this would appease the people, at least for a couple of years.

Otherwise, the government will have to face scores of embarrassing questions and suggestions; as some Western diplomats have already done by asking when the elections would be held or, even worse, suggesting when they should be held, violating all norms of diplomatic etiquette and protocol.

Now the ball is in the government's court. If it does not play well, or undermines its own promises by demolishing the tower of tall order it has erected with fat hope of the people, both the ruler and the ruled will be in trouble.

Since there are things that may not be constitutional about this government, it should keep up the

The hard-core criminals with tons of ill-gotten money and political clout know how to sneak out of trouble through the legal loop-holes. If the handful of corrupt politicians and businessmen who are behind bars succeed in proving their innocence, it would be a big slap on the face of the entire nation; and, most definitely, would discredit the government.

Finally, instead of being ambivalent and promising a special brand of "home grown" democracy, the government should be rather relying on the people -- not elected, unaccountable governments -- to deliver democracy, socio-economic justice and political freedom in the near future.

By relying on the people, this extra-ordinary government can punish the criminals and recover the stolen wealth, and repair the tarnished image of Bangladesh.

Taj Hashmi is a freelance contributor to The Daily Star.

An overview of EC's proposals for reforms of electoral laws

BARE FACTS

The major political parties have hardly ever tried to bring about the changes when in power, although they cried themselves hoarse for such changes when in opposition. Nevertheless, these reforms cannot and should not be done without consultation with the political parties. The CTG should, therefore, immediately lift the embargo on the activities of the political parties, indoors and outdoors, and engage them in effective dialogue on these issues.

certain conditions which include, inter alia, having at least one MP from the party in any election since independence, or securing two percent of the total votes in the latest general election; having offices at the national and local levels, and offices and executive committees at 50 percent of the districts and upazilas in the case of a new party; furnishing details of the party's bank account(s) in the country as well as abroad, if any, and sources of funding of the party; maintaining internal democracy in the party, including holding of annual meeting of the central/national committee of the party; furnishing annual audited reports of incomes and expenditures to the EC. Failure to comply with the above mentioned conditions might lead to the cancellation of registration of a political party.

• The key points of the proposed electoral reforms i.e. amendments to the Representation of the People Order 1972, and to the Conduct of Election Rules 1972, are as follows:

• A political party failing to register itself with the EC will not be allowed to field candidates in the elections.

• For registering itself with the EC, a political party has to fulfill

candidate of a registered political party unless three years have passed since his/her enrolment, excepting a candidate of a political party that has been registered for less than three years.

• No one will be allowed to contest from more than three constituencies at a time.

• A candidate intending to contest from more than one constituency will have to deposit TK five hundred thousand for each additional constituency. In case of his/her winning in more than one constituency, his/her deposits for additional seat(s) won will be forfeited.

• A prospective independent candidate will have to come up with signatures supporting him from at least one percent of his constituency.

• Security deposits of a candidate will be forfeited if he or she fails to secure one-fifth of the total

votes in his/her constituency.

- The EC will have the authority to cancel candidature or ban any political party for electoral law violation.
- No public servant will be allowed to contest elections within three years of retirement or termination of contractual appointment.
- No official of a foreign-aided NGO will be permitted to contest polls within three years of retirement.
- Bank loan defaulters intending to contest elections will have to reschedule loans one year before election.
- Intending candidates will have to clear all public utility bills three months before nomination paper submission.
- No foreign donation or funds for political parties or candidates will be allowed.
- Every candidate will have to furnish a statement showing the sources of funds to meet his/her election expenses.

foreign or anonymous donors.

- An appeal may be filed with the EC against the returning officer's (RO) decision regarding acceptance or rejection of nomination papers.
- There may be incentives for the parties to raise funds from their members.
- An election dispute will have to be settled within six months.
- Some of the proposed amendments to our electoral laws are not quite new. They do exist in the electoral laws of many countries, including UK, Australia, Canada, India and Pakistan.
- In UK, India and Pakistan, a political party is not permitted to field candidates in elections until it registers itself with the EC. And in order to register itself with the EC and to retain its registration, a political party has to strictly abide by the provisions of the relevant laws which include:
- Inter alia.
- Furnishing a satisfactory name of the party that does not clash with any other party's name.
- Furnishing a copy of the constitution of the party.
- Furnishing financial scheme showing how the party will comply with the financial controls.
- Furnishing annual audited reports showing its incomes and expenses.
- Maintaining internal democracy within the party.
- Prohibiting receipt of funds from

government, following pressure from the major political parties, particularly the BNP and the Awami League.

Two, the barring of candidates from contesting polls for non-payment of arrear bills of public sector utility services needs careful examination. Experience shows that some public sector utility bodies very often make mistakes in billing and take an abnormally time in delivering the bills. This is particularly true for the district towns.

Three, the EC has made it clear that it would prepare a voter list with photographs. As for the national ID card, there is not much urgency if the election is held with a voter list having photographs.

But some knowledgeable people have raised the question as to why it is necessary to prepare both, the voter list and the national ID card, simultaneously.

If the national ID card is prepared, it can serve both purposes. Then there is no need for spending money on a voter list with photographs.

The commission had been

vested with such powers earlier, after the promulgation of an ordinance amending the Representation of the People Order 1972 just prior to the general election in 2001, but lost the powers as the then president, Shahabuddin Ahmed, through another ordinance, repealed it during the rule of a caretaker government.

The EC's reports suggest that the EC is going to start dialogues with the civil society groups, at the end of this month, on the proposed electoral reforms and time limit for simultaneously preparing the national identity cards and voter list with photographs. The EC plans to start dialogues with political parties as soon as the government lifts the ban on indoor politics.

The chief adviser to the CTG, in his recent meeting with the US Assistant Secretary Richard Boucher in New Delhi (where they were attending the Saarc summit), said that elections would be held only after necessary reforms. Some observers feel that it is imperative that some of the reforms that the CTG has initiated should be seen through.

The EC must be freed from the control of the government, the electoral process has to be streamlined and the electoral laws firmed up; other vital institutions of the state like the anti-corruption commission and the public service commission must be strengthened; the judiciary must be made independent from the executive branch of the state.

The major political parties have hardly ever tried to bring about the changes when in power, although they cried themselves hoarse for such changes when in opposition. Nevertheless, these reforms cannot and should not be done without consultation with the political parties.

The CTG should, therefore, immediately lift the embargo on the activities of the political parties, indoors and outdoors, and engage them in effective dialogue on these issues.

M. Abdul Latif Mondal is a former Secretary to the Government.