

# Constraints of coal mining

One has to be cautious and conservative, rather slow and steady in extracting coal from under this soil. The national coal policy which is about to be announced shortly is reportedly contemplating to produce coal at a rate 20 million tons a year within 10 years, and 40 million tons per year within 20 years. This requires more than one large scale open-pit mine. Such a plan may definitely be referred to as aggressive. The policy makers must consider the inherent ground level problems -- geologic, environmental and social -- before contemplating such aggressive coal policy.

BADRUL IMAM

The recent death of a British mining expert inside the Barapukuria coal mine has rekindled the question of safety in the mine. On the morning of April 26, Albert Davies, a mine ventilation expert died inside the roadway tunnel at a depth of 450 meters while he was on a routine check-up of the ventilation system along with his colleague, Nicholas Woodburn. Apparently, the two experts were at a place where the temperature and humidity were very high. While Albert, aged 62, who could not stand the suffocating environment for long, collapsed to the ground and died, the 24 year old Nick, also suffering from suffocation, could somehow reach the point to call the rescue workers.

Most of the energy experts believe that there is no option for Bangladesh other than mining its coal for power generation, because the future power demand cannot be met from gas-based power plants as the gas reserve is too limited to run for long. This seems to be well understood by the policy makers, who are contemplating using coal-based plants for future power generation. At present, the only coal-based power plant (250MW) in the country is in operation near Barapukuria coal mine, which feeds the plant. Since the accidental closure of one production face of Barapukuria coal mine about a year ago, production rate is about 1500 tons per day instead of 3300 tons a day (or 1 million ton a year) originally planned from two faces.

The Barapukuria underground coal mine in Dinajpur district has now gone through a period of 8 years of construction and one year of production. During this period, three labourers and one expert died underground by accident. Although, the fatality rate is insignificant compared to some ill-fated mines around the world, there have

been several major accidents which severely affected the infrastructure and economy of the project.

On the other hand, a plan to establish an open-pit mine in nearby Phulbari was aborted last year in the wake of mass protest by the local people. Five persons were shot dead by the law enforcing agency. Since then, coal mining has been hotly debated in many forums around the country. Although there is merit in these debates, scientific judgment must play a role in such deliberations.

Which mining method would be appropriate has to be judged from the view-point of environment, safety, and economics. The following points highlight the issues that matter most while considering mining prospects and problems in Bangladesh.

1) What makes coal mining in Bangladesh much more difficult compared to its

counterpart across the border in West Bengal in India is the presence of a thick (about 100 meter), loose, water-bearing sandy layer (aquifer) above the coal deposit.

a) In the case of Barapukuria underground mine, this water-bearing layer poses problems of shaft sinking as well as water flooding. In 1997, the mine was totally flooded with water from this layer, for which mine construction work was suspended for a year.

b) In case of an open-pit mine this water layer will fill the mine pit if the water is not continuously pumped out throughout the period of mining. Such long-term pumping will lower the groundwater table in the surrounding land mass and habitat, and desertification may set in.

2) a) In the Barapukuria underground mine high heat flow in certain areas (southern part) raised the temperature in the tunnels very high. In addition,

high rate of water discharge from quarried coal in the above situation makes the environment excessively humid. This gives a perfect recipe for heat stroke and suffocation, most likely faced by the two British experts, one of whom died on April 26. The working condition in such hot and humid environment is often inhumane.

A second problem in Barapukuria is poisonous CO gas emission due to spontaneous combustion. A production face (1110) had to be closed and sealed, with million dollar worth of equipment trapped inside, due to the CO gas emission in September 2005. A little amount of CO gas can kill a person; however the above incident, luckily, did not cause any death.

Roof fall is another problem in Barapukuria, by which the death of three persons was reported on three occasions during mine construction. A fourth aspect of all underground mines is the risk of methane gas explosion, which may kill a good number of people at a time. However, laboratory analysis rated Barapukuria coal as low to medium risk in this respect.

b) In case of an open pit mine the above factors are non-issues, but during monsoon, torrential rain may cause large scale land slide related to pit slope instability. This, along with water logging problem would render coal mining almost impossible. Pit slope will be particularly vulnerable to landslides in the loose water bearing sand layer which has slippery clay interbeds.

3) a) In the Barapukuria underground coal mining area small scale subsidence has been noticed in the surface which has affected a few village houses (wall cracking) and crop fields. The social impact of such events are contained by compensation to the affected people.

b) In case of an open-pit mine eviction, resettlement of a very

large number of people is essential. The amount of loss of cultivable land is very high as well. The population density in Bangladesh is about 1000 per sq.km. compared to 350 in India, or less than 10 in Australia where large scale open-pit mines operate. This is probably the most important point raised by the opponents of open-pit mine in Bangladesh.

4) a) In underground Barapukuria mine, expected recovery of coal is 20%. All of it is planned to be used in the country.

b) In case of open-pit mine, recovery is expected to be as high as 95%. A major part of it is expected to be exported by the foreign company which would run the mine; Bangladesh presently is not capable of running an open-pit mine.

Conclusion: The above point to the constraints of coal mining in Bangladesh, irrespective of the mining method adopted -- underground or open-pit. The lesson is that one cannot be too aggressive in mining coal in Bangladesh because of the difficult geological setting, environmental effects and large scale social (resettlement) problems. One has to be cautious and conservative, rather slow and steady in extracting coal from under this soil. The national coal policy which is about to be announced shortly is reportedly contemplating to produce coal at a rate 20 million tons a year within 10 years, and 40 million tons per year within 20 years. This requires more than one large scale open-pit mine. Such a plan may definitely be referred to as aggressive. The policy makers must consider the inherent ground level problems -- geologic, environmental and social -- before contemplating such aggressive coal policy.

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# CPI and Bangladesh

In 2000, the Indonesian government issued a presidential decree to establish the National Ombudsman Commission. The continuous effort of this Commission has changed corruption perception in Indonesia significantly. Pakistan established a National Accountability Bureau, with the responsibility of implementing and coordinating the National Anti-Corruption Strategy (launched in 2002) and National Accountability Ordinance (amended in 2002). The continuous effort of this agency has improved Pakistan's standing in CPI significantly. Taking a clue from these instances, we can expect that the recently reconstituted Anti-Corruption Commission, with its cohesive and integrated approach as well as a clear aim, will be able to contribute significantly to improving Bangladesh's standing in the CPI list.

MAMUN RASHID

EVERY year Transparency International (TI) publishes a "Corruption Perception Index" (CPI). Till 2005, Bangladesh was listed as the most corrupt country for consecutive five times. In 2006, Bangladesh improved a little bit in the ranking, although most observers feel that the improvement is mostly due to increase of corruption in a few other countries. The CPI report is widely regarded as a solid indicator of corruption in various countries, although some critics feel that the methodology used by TI does not always give a proper relative ranking. That is why it would be interesting to understand the methodology of preparing the CPI report.

The Transparency International Corruption Perception Index ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index, a poll of polls, drawing on corruption-related data from expert and business surveys carried out by a variety of independent and reputable institutions, including newspapers. The CPI reflects views from around the world, including those of experts who are living in the countries evaluated.

The TI CPI focuses on corruption in the public sector, and defines corruption as the abuse of public office for private gain. The surveys used in compiling the CPI ask questions that relate to the misuse of public power for private benefits, for example bribery of public officials, kickbacks in public procurement, embezzlement of public funds, or questions that probe the strength of anti-corruption policies, thereby encompassing both admin-

istrative and political corruption. The CPI, 2006, ranks 163 countries. In 2005, the CPI included 159 countries. Following is a list which shows the performances of some countries:

expansion phase (specially in Africa), stand much higher than Bangladesh. This may be the result of higher expectation and more openness in the media and society than in Bangladesh, which makes

Commission has changed corruption perception in Indonesia significantly. Since then the standing of Indonesia in CPI has improved considerably.

Similarly, Pakistan established a

	2005		2006		2006 relative to 2005
	Ranking	CPI Score	Ranking	CPI Score	
Australia	9	8.8	9	8.7	Steady
Bangladesh	158	1.7	156	2.0	Improved by 2
China	78	3.2	70	3.3	Improved by 8
Hong Kong	15	8.3	15	8.3	Steady
India	88	2.9	70	3.3	Improved by 18
Indonesia	137	2.2	130	2.4	Improved by 7
Japan	21	7.3	17	7.6	Improved by 4
Malaysia	38	5.1	44	5.0	Worsened by 6
New Zealand	2	9.6	1	9.6	Improved by 1
Philippines	117	2.5	121	2.5	Worsened by 4
Singapore	5	9.4	5	9.4	Steady
South Korea	40	5	42	5.1	Worsened by 2
Sri Lanka	78	3.2	84	3.1	Worsened by 6
Taiwan	32	5.9	43	5.9	Worsened by 2
Thailand	59	3.8	63	3.6	Worsened by 2
Vietnam	107	2.3	111	2.6	Worsened by 4
<b>Other Countries of Interest:</b>					
Cambodia	130	2.3	151	2.1	Worsened by 21
Laos	77	3.3	111	2.6	Worsened by 34
Mauritius	51	4.2	42	5.1	Improved by 9
Nepal	117	2.5	121	2.5	Worsened by 4
Papua New Guinea	130	2.3	130	2.4	Steady

Because of inherent structural problems, Bangladesh suffers from relative lower ranking, although the actual situation may be quite different. This is not to say that CPI is not a reliable indicator, and Bangladesh does not suffer from widespread corruption. Given the constraints provided, the CPI report draws quite an articulate picture of corruption in various countries, and we can understand from our own experience the extent of corruption in Bangladesh. However, many people would agree that, on a relative benchmarking, Bangladesh should perform much better than many other countries in the list.

If we look at the list, we shall find that many countries which are hardly functional as states, and are not going through any economic

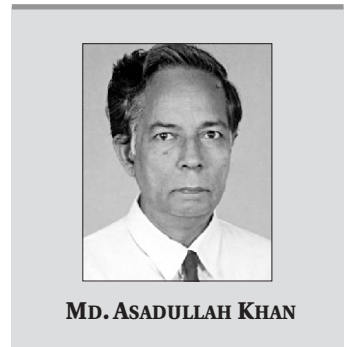
the case of corruption perception in Bangladesh worse. This perception can be changed, especially with the on-going anti-corruption drive. Previously, we had seen such instances in Pakistan and Indonesia.

In Indonesia, after the fall of the Suharto regime, the corruption perception was very low. In 2000, the Indonesian government issued a presidential decree to establish the National Ombudsman Commission. The Commission was established to help create and develop a conducive climate for the fight against corruption, collusion and nepotism. It has the mandate to receive, investigate and follow through reports from the general public concerning the protection of their rights and the services provided by the government. The continuous effort of this

National Accountability Bureau, with the responsibility of implementing and coordinating the National Anti-Corruption Strategy (launched in 2002) and National Accountability Ordinance (amended in 2002). The continuous effort of this agency has improved Pakistan's standing in CPI significantly. Taking a clue from these instances, we can expect that the recently reconstituted Anti-Corruption Commission, with its cohesive and integrated approach as well as a clear aim, will be able to contribute significantly to improving Bangladesh's standing in the CPI list. We can't go back, we can only move forward, that is what all our liberation martyrs wanted and the struggling people of Bangladesh deserve.

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# Prices of essentials out of control



Md. ASADULLAH KHAN

AFTER the promulgation of emergency and take over by the new caretaker government led by Dr. Fakhruddin Ahmed in a critical period of the country, it now faces a daunting list of problems that has inevitably been a legacy of the past alliance government. National service sector and constitutional bodies like the PSC, Election Commission and ACC were corroded beyond redemption. Corruption has eaten away at the basic processes of governance. Islamic militancy that raised its ugly head during the alliance rule though stymied after the trial and execution of militant leaders, now again raises its head. On the other hand, tax evasion, sagging government revenues, tender manipulations, extortion and commission business that were almost the norms during the past alliance government although seem contained now but have already devastated the nation's

finance. Long term social problems like poverty, illiteracy and health care have gone unattended. But most worrisome at the moment is the spiraling prices of essential food stuff like rice, wheat, pulses, edible oil etc.

In a bid to bring down the prices, the three-month old caretaker government has taken some measures as cutting import duties and launching OMS of essential items by BDR in different parts of the city but still the rise in price of every food stuff including fish and vegetable defy any prognosis. All other issues that the present government faces pale into insignificance as inflation that accompanies the price spiral. Family budgets in the urban homes have seen expenditure on food and groceries going up by as much as 50 percent.

While TV and print media have raised the concern of the urban consumers, the agonies of the rural folk who spend about 60 percent of their income on food items remain unheard. Expectedly with Fakhruddin Ahmed's interim government taking over the reins of administration in the most turbulent period of the nation's history and instituting some bold measures and ushering in various reforms like the reconstitution of EC and ACC and depoliticising the administration within a very short time, people in the country were bubbling with new hopes for a resurgence of national spirit and reconstruction in all sectors of public life

# BITTER TRUTH

Unhappily every crisis in the country brings about a spate of reform proposals that are laid down on paper and never implemented. The problem with the policy making bodies in the country is that there is endless debate as long as the crisis lasts. Ironically the government goes back to "business as usual" mode as prices even out. Precisely true, food security is not an issue that a nation of 140 million people, totally dependent on rice and pulses, can take lightly.

and development activities. But with prices of essentials soaring every day sensible citizenry are afraid if hopes are belied again.

As for containing price spiral, two policy measures or suggestions seem pertinent : containing inflation and improving of the supply situation.

Inflation as one might understand is defined as too much money chasing too few goods. With remittance flow and export earning increasing by 4 crore US dollar every month forex reserve is likely to reach 550 crore US dollar by the end of this fiscal year, as revealed by the Bangladesh Bank governor, but in absence of facilities to absorb this money flow in industrial sector expansion, it is not surprising that inflation has touched 7.7 percent and may even cross the double digit figure. Fiscal managers in the government might say that the economy is growing because of the increasing remittance flow from Bangladesh working abroad and increased export earnings mainly from garments and shrimp export.

That means our economy has swelled incomes and put money in people's hands to pay for more goods and services that are in short supply.

The real story is that a combination of supply side bottleneck, arbitrary increase in transport fare due to oil price hike has fuelled a sustained rise in prices of primary goods -- food grain, vegetables and pulses. Unhappily, the rise in prices of food items and vegetables that are carried by trucks from the remotest places in the country has never been consistent and proportionate with the fuel price hike. Rather it is the truck owners' arbitrary decision that rules the day. In such a context, as capacities are created and supply situation improves, competition will drive inflationary pressure down and prices will even out. One might accept inflationary trend in a growing industrial economy but this is not so with Bangladesh economy. The most important factor causing a 30 to 40 percent rise in prices of primary goods like food grains and vegetables

may be attributed to market manipulation by interested groups and coteries. Unhappily the government has failed to initiate steps to crack down on hoarders and ban forward trading in primary goods.

Going away from market manipulation there are other factors contributing to such price spiral almost every year at this time. Simply put, we do not produce enough for the population that is growing every day. For over two decades now there has been little focus on agriculture. For the past two decades, country's production of rice, wheat and pulses has been stagnant, when per capita income has been growing. With fish and meat going out of reach of the common man, the consumption of pulses has grown steadily but the production level remained static. At the same time imports are limited by options as few countries produce pulses. In such a perspective we need to increase pulse cultivation or invest in technology that would deliver higher yields. As reports reveal there has been no

breakthrough in output efficiency even when the population swelled from 75 million in 1971 to 140 million in 2006. Neither is there any attempt to move farmers from crops that add to water stress towards produce that we necessarily import.

As reports published in the newspapers through government sources of late reveal that there has been a 17.63 percent increase in opening LC for the import of edible oil during the last nine months. Compared to that in the preceding year, the price hike of soybean oil in the local markets by about 25 percent per litre defies any logic. Conspicuously, oil traders' version is different. They say that there has been increase in oil prices in the international market and the present crisis they attribute to decreased oil import and they also maintain that prices will not come down and will further increase unless the government curtails the amount of duty imposed on import.

Unhappily whether it is oil seeds or pulses, acreage in these sectors in

the country is unusually low. The crisis is compounded by the fact that in the south-western region of the country vast chunk of agricultural land is being used as shrimp farms. Shockingly true, shrimp farming might be a source of export earning but with earnings confined to a limited circle, it can't feed the burgeoning population when land holdings are so limited and such incomes do not reach the poor and the working class in the villages.

On the other hand even in places where agriculture practices are being intensively followed, over a third of the vegetable and fruit produce gets wasted in the fields. In that perspective a long term plan is necessary to avert such periodic crisis year in and year out. There is an urgent need for restructuring agriculture with investment, new technology and new direction.

The price rise in perishables like fruit and vegetables may be attributed to lack of effective storage facilities and efficient delivery system. Thanks to the absence of distribution links and processing, millions of tonnes of vegetable and fruit are wasted which adds to losses and prices. The answer lies in the fact that the traditional distribution chain from field to fork is too long and cumbersome. It involves too many middlemen forcing consumers paying as much as four times of what the farmer gets paid for his produce. The problem will continue

to mount up and consumers will continue to suffer as long as the retail chains have not invested in logistics and warehouses that would ensure delivering value to both consumers and farmers.

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The staggering rise in the price of rice has its roots, other than market manipulation, in the shortfall of "Boro" production because of fertiliser crisis and lack of timely irrigation facilities due to disruption in power supply. It was widely speculated that there would be a shortfall of about 3 million tonnes of rice and a crisis situation might develop unless the government takes prompt measures to address the problem. Pathetically, when the government decided to take action either by importing foodgrains or launching OMS in the internal market, it was a process that was too late and drove prices further up.

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# President Bush's paradox

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A series of scandals has rocked the Bush administration. This is the third time in 6 years that it is having serious political problems. President Bush appears to be in the habit of sidetracking the rule of law, while consistently promoting democracy and rule of law abroad. That means he does not practice what he preaches.

The recent conviction of Lewis "Scooter" Libby, former chief of staff to Dick Cheney, the most powerful vice-president in America's history, on charges of perjury and obstruction of justice, about his role in the White House smear campaign to discredit a critic of the war in Iraq, former ambassador to Iraq, Joseph Wilson, is a case in point. Libby lied about leaking the name of Wilson's wife Valerie Plame, a CIA covert officer, to the press.

This was done because ambassador Wilson had revealed in an article in the New York Times in July 2003 that Saddam Hussein did not import yellowcake from Niger, which President Bush had claimed in his State of the Union Address in 2003. The conviction of Scooter Libby, in fact, has once again proven to the American people that the administration has been conducting war in Iraq by misleading them.

Despite Republican senators howling at the Democrat controlled congress, it still invited the former CIA covert officer, Valerie Plame, to testify about the damage done to her and the CIA mission. Valerie Plame exposed the Bush administration's naked duplicity in attacking Iraq.

There has been tug of war between President Bush and the Congress over the issue of the firing of 8 federal

As his popularity dwindles to below 30 percent because of the unpopular war in Iraq, and a series of scandals within his administration, the president seems to keep on fighting for executive privilege with Congress. The six years of arrogance by President Bush in ignoring the Congress has taken a toll on the country, and the government is paying the price politically.

attorneys by Attorney General Alberto Gonzales last year. While the president's willingness to allow his aides only informal, closed door interviews without transcripts with the members of the Senate Judiciary Committee showed that he was apparently in the mood to cooperate with congress, the Senate Judiciary Committee unanimously authorized subpoenas for White House political adviser Karl Rove, former counsel Harriet Miers, and their deputies.

In the last five years, the Republican controlled congress did

not raise an eyebrow against the president's decisions. Now the president is facing the music. The eight attorneys were in good standing, most of them working on sensitive corruption investigations involving Republicans. Two of the attorneys testified at a congressional hearing that they were fired after resisting political pressure to indict Democrats.

The administration has apparently admitted that the firing originated from the White House, and that President Bush himself passed along to Gonzales concerns about some

attorneys. By doing this, the Bush administration has turned the entire Justice Department into an arm of the Republican Party.

Even some Republican lawmakers are critical. Senator Tom Coburn (R), for example, said that the firing of the eight prosecutors in this clumsy and obviously political manner was an act of idiocy.

In a dramatic move, the Senate, by 94 to 2, removed the authority given to the president to name federal attorneys. This vote undid the language in the Patriotic Act, which is popularly

known to be unpatriotic in nature and which had allowed the White House to bypass the Senate.

These two acts by the Democrat controlled congress was a slap on the face of the president. During the last five years President Bush had used congress as a rubber stamp.

The Senate Judiciary Committee has requested President Bush to allow his aides to testify under oath. There will be a constitutional crisis if the president does not let them face the hearing. The Supreme Court would decide in that case.

Where does the Bush administration stand today? Even the Federal Bureau of Investigation (FBI) has been accused of breaching the trust by illegally collecting information on American citizens.

The Chairman of the House Judiciary Committee, John Conyers, said that this was a serious breach of trust, while Republican Representative James Sensenbrenner is of the view that this would be a lesson to the FBI that they could not get away with this and expect to maintain public support.

By now the president may be feeling the pinch, when the Democrat majority in the House of Representatives and the Senate passed a revised spending bill with some strings attached, including withdrawal of troops from Iraq by October or sooner if the Iraqi govern-

ment did not meet certain benchmarks. This was done on April 25, in spite of President Bush's threatening to veto the bill. The voting pattern indicates that it fell short of the two-third majority needed to override the veto of the president.

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The six years of arrogance by President Bush in ignoring the Congress has taken a toll on the country, and the government is paying the price politically.

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