

Nature's revenge

NAZRUL ISLAM

THE devastation that wrought havoc in the port city of Chittagong is an eye-opener, which shows how vulnerable we are to natural calamities. Rainfall of 408 mm is not so high, at least in comparison with the Mumbai deluge of July 2005 when the Indian commercial city had experienced about 1200 mm rainfall in 24 hours. But the death toll in Mumbai was much less than that of Chittagong.

According to the information available as of June 13, the death toll in the rain-triggered avalanche in Chittagong was 120, and damage to property was millions of Taka.

Excessive rain was blamed for the widespread destruction, but can human beings shrug off their responsibility for the death of more than a hundred people? In fact, we human beings are solely responsible for the devastation.

The mindless urbanisation, destroying the hills and vegetation in the port city, is the prime cause of the calamity that struck on Monday morning. Over the decades, hundreds of hills in the port city have been flattened to grab the land for construction of buildings. They were made barren by the cutting down of trees and vegetation, making them highly susceptible to erosion.

The rainwater easily washed away the exposed soil, causing the fatal landslides. Had there been enough trees and vegetation on the hills/highlands, such soil-erosion would not have happened, and if it at all it did happen, the damage would definitely have been much less. Because, trees and vegetation protect soil from erosion and retain rainwater, slowing down the fast run-off.

The green hills and their vegetation fell prey to the unpalatable greed of people. Even, the govern-

ment, and local bodies like Chittagong City Corporation and Chittagong Development Authority, did not spare the hills.

Those who were meant to protect the environment and vegetation, like the Ministry of Environment and Forests, did not play their role for protecting the hills. Many thought, or think, that nature would not notice this torture. But mother earth is so sensitive and revengeful that she does not forget anything that hits her, and she strikes back savagely when she thinks appropriate. What happened in Chittagong on Monday was nature's revenge.

The hills were the treasure of the port city, making it the country's most scenic and beautiful city. Just a few decades back, the green vegetation and hills of the port city used to soothe the eyes of the city dwellers as well as the visitors.

On the other hand, the Karnaphully river, and the Bay of Bengal located adjacent to the city,

makes it an environmentally highly sensitive place.

Normally, the topography of the port city would not allow retention of rainwater for a long time if the drainage and sewerage system worked properly. But the inundation of most parts of the city in Monday's deluge proves that the system did not work at all.

The reason for non-functioning of the system also lies in the hill cutting. The drainage system in the port city was almost clogged up with the soil coming down from the hills. The canals and rivers which once flowed through the city were also filled up and encroached upon by the city dwellers.

Moreover, the Karnaphully River also lost its water retention capacity, as it had silted up over the years. Construction of several bridges over the river also slowed down its natural flow, augmenting the siltation process. On the other hand, there was no effort to remove the silt

through dredging.

Although floods, droughts, storms and other extreme weather events have always been a reality, they have been rare occurrences interrupting long periods of calm. The gentle rhythm of nature is breaking up because of human-induced climate change.

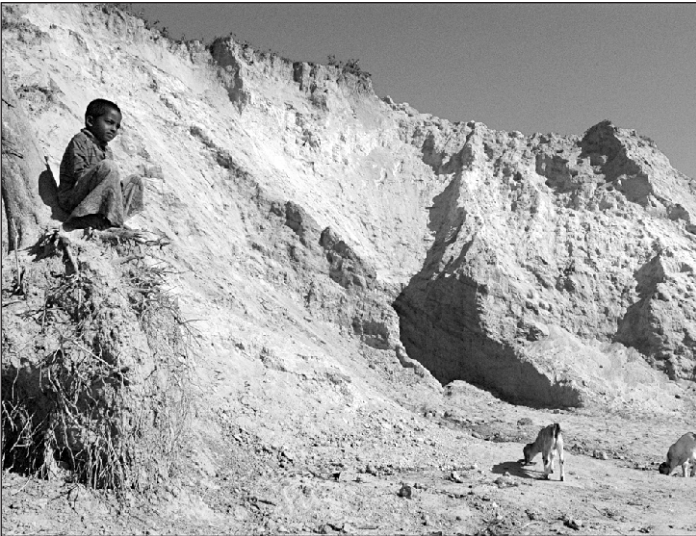
People having faith in God generally see natural calamities like cyclones, earthquakes or floods as God's doing, and think there is no human hand behind them. But evidence shows that natural disasters have been gaining strength and occurring more frequently in recent years, causing many more human casualties and inflicting economic losses.

Although some scientists are still skeptical about a direct connection between global warming, which is a result of human activities, with more severe natural disasters, but many are now convinced that there is a link. In a paper published in July

2005 in the journal "Nature," meteorologist Kerry Emanuel of the Massachusetts Institute of Technology concluded that the destructive power of hurricanes had increased 50 per cent over half a century, and that a rise in surface temperatures linked to global warming was at least partly responsible.

Some scientists have maintained that the rise in mean global temperature over the last 50 years -- a well documented trend -- was widely linked to human activities such as burning of fossil fuels, and will inevitably have an effect on natural disasters.

The Chittagong deluge again proves that the warning that a sizeable portion of Bangladesh will go under water by 2050, making over 30 million people environmental refugees, is not mere words. The 400 plus mm rains kept the city submerged for 48 hours, although the terrain of port city normally does not allow the water to stay for long.



Natural calamity is common in Bangladesh. We used to live with flood, drought and other disasters. But the way these disasters have been gradually accumulating destructive strength, it will be difficult for the country's poor people to face them in future.

Nazrul Islam is an environmentalist.

Budget comments

HUSAIN IMAM

THE Finance Adviser, Dr. Azizul Islam, while proposing allocation of funds for the power sector in his budget proposal for FY 2007-08, talked about generation of 2,295 mw of electricity in the next three years.

Our present requirement is about 5,000 mw, but we produce 3,000 mw. Therefore, our shortfall at the moment is 2,000 mw. According to our technical experts, to meet the growing demand, we have to add to our national grid an additional 600 mw, on average, every year over the next three years.

In other words, by 2010 we need to have new generation of at least 3,800 (2,000+1,800) mw of electricity if the country is to be

freed from the curse of load shedding by that time. The budget proposal falls far short of this requirement. We definitely need more funds and a more aggressive approach towards this sector.

According to various reports, Tk 15,000 crore was spent for the power sector during the 5-year rule of the immediate past BNP-led coalition government. We should have had at least 1500 mw of electricity with this money. Instead, we got only 80 mw. What happened to the rest of the money is anybody's guess. The finance adviser did not say anything about this in his budget speech

The people expect the caretaker government of Dr. Fakhruddin Ahmed to unearth this despicable scam in the

power sector, and bring those who were behind it to book.

**Compensation package for BPC**

The finance adviser has proposed allocation of Tk 7523 crore to compensate for the accumulated loss incurred by the Bangladesh Petroleum Corporation (BPC) over the years.

While BPC attributes this loss to the sale of their products at subsidised rates, the people at large think that a sizeable portion of this loss is due to inefficiency, mismanagement and corruption of the BPC officials.

The question has, therefore, come up as to why the public will be asked to bear that portion of the loss for which they are not responsible?

**VAT**

In an effort to extend the vat net, the budget proposes VAT on the consultation fees of specialized doctors and lawyers. We remember when the then finance minister Saifur Rahman imposed VAT for the first time on the sale of sweets, the sweet shop-owners instantly increased the price of sweets by an amount which was even more than the imposed VAT.

Consequently, while the consumers had to pay a higher price for buying sweets, the sweet traders got a chance to inflate their wallets in two ways -- by selling their products at higher prices, and depriving the government of even a portion of the vat (realised from the consumers) in course of their normal practice, which most, if not all, of them are reportedly accustomed to,

which is concealing 50 to 60 per cent of their sale from the tax authority.

There is no reason why we may not see the same thing being repeated in the case of doctors and lawyers. Even if we think that the doctors or the lawyers will be more honest and sincere in paying the VAT, the chance of them being subject to unnecessary hassle cannot be totally ruled out.

Our suggestion would be to withdraw the VAT proposal for doctors and lawyers and, instead, closely monitor their earnings and ensure that they pay a reasonable amount as income tax.

As we all know, in any indirect tax measure like VAT, the actual sufferer is the user, not the producer or the service provider. Again, such measures are discrimi-

natory in the sense that the burden is, in the ultimate analysis, thrust upon the shoulders of the consumers only.

Since most of the people of this country are poor, such measures adversely affect majority of the populace. Our appeal to the caretaker government would be to reduce, even avoid where possible, indirect taxes which directly affect the common people.

**Agricultural and rural development**

To contain the galloping price hike of essential items, especially food items, is the biggest challenge for the caretaker government. The finance adviser has rightly emphasised the need for increase of agricultural production in the face of the country's ever-

increasing population, and reduction of cultivable land.

To that end, his proposal to set up an endowment fund of Tk 350 crore to facilitate agricultural research as a long term measure, to give a subsidy of Tk 750 crore for diesel supply to farmers at a reasonable price, and to increase subsidy for fertiliser as an immediate measure, is a most welcome move. Our only appeal to the CG in this respect would be to ensure that these benefits go directly to the farmers.

It may not be a bad idea to talk to Begum Matia Choudhury, a former agricultural minister, to find out how, during the Awami League government of 1996-01, the country became self-sufficient, nay surplus, in food production, and why in only 6 years since then the

country has turned into a food deficit area necessitating import of a substantial amount of food grains from other countries.

**Women's welfare**

The proposal to introduce maternity allowance for poor women during pregnancy is a laudable approach. The finance adviser certainly deserves credit for this innovative idea. The proposal to extend the network and increase the amount of monthly allowance for hapless widowed and destitute women and elderly persons is also a praiseworthy move. The allowance may, however, be increased to at least Tk 250 instead Tk 220 as proposed in the budget.

Capt. Husain Imam is a freelance contributor to The Daily Star.

Chittagong on the precipice

KAZI S.M. KHASRUL ALAM QUDDUSI

THE city of beauty suddenly becoming a city of death! More than hundreds of people, including women and children, were buried under walls of mud and washed away in the current, with many others still missing. And millions have become homeless due to such horrific mudslides. At a rough estimate, the loss in property may be more than Taka one thousand crore, mainly because of water logging and inundation.

Yes, Chittagong was once at the fore. Both geographically and commercially such was the presence of Chittagong from time immemorial, and its importance has hardly lessened ever since. Over and above, the natural beauty of Chittagong and adjoining areas has always been a treat to watch for people of the whole country and

beyond.

Chittagong has been a real melting pot for quite a long time now, with substantial influx of people from other regions of the country mutually benefiting and complementing each other in the process. Though Chittagong still lags far behind the capital city in terms of facilities and opportunities available, it has very rightly been regarded as a better place to live in vis-à-vis Dhaka.

But whoever saw the havoc caused by nature a few days ago has every reason to be worried about the future of Chittagong city and adjoining areas, if not the whole of Chittagong region.

Vested quarters in Chittagong had played so wilfully with nature during the last three decades that she has shown us a trailer to give us a measure of what damage she can cause in the not-too-distant future.

This apprehension -- which some might think is exaggerated -- is hardly unfounded. Small-scale tremors have become a regular phenomenon in Chittagong and adjoining areas. They have been taking place with such frequency these days that the general people and the government alike seem to have taken them for granted. But the experts have repeatedly warned of a disaster if the situation is not attended to without delay.

Yes, the culprits behind the recent tragedy have been identified; ruthless hill-cutting being the prime reason, followed by unplanned urbanisation and blocking of the city's sewerage system due to grabbing of ducts by big shots.

In a survey by Chittagong University geography professor, Dr. Islam, it was found that more than one hundred hills of Chittagong have vanished due to



Indiscriminate hill cutting during the last 30 years.

Oxygen and Polytechnique areas.

even a few months ago, as if the wealth-mongers had declared a war against hills of all sorts.

Sadly, however, wholesale hill cutting has so tilted the ecological balance of Chittagong to the vulnerable side that the possibility of a catastrophe of unforeseen nature can hardly be overstated. It might even take place -- God forbid -- so quickly that there might be little time to even take stock.

Unfortunately, very few big guns stayed away from the brisk business of mindless hill cutting in Chittagong. They ranged from truck owners, contractors, brick kiln owners and real estate developers to local hooligans. They were ably supported and guided by political leaders and government officials and, above all, ministers.

Even Mayor Mohiuddin Chowdhury jumped onto the band wagon (!). The hilly areas of Foy's Lake and Pahartoli being some

locations of his so-called housing development schemes.

Though I had a soft corner for Mr. Chowdhury, I was really appalled to see City Corporation bulldozers pitilessly leveling the hills in Foy's Lake area for a residential area named Lake City Residential Area.

Meanwhile, blocking of the sewerage system by grabbing of drains and establishment of various structures over the same gained ground in the previous years, and that, too, under the aegis of influential leaders and incumbents.

Though the City Corporation is supposed to maintain the sewerage system in a city, some of its structures over the big ducts choked the system, triggering inundation at the slightest rainfall.

Premier University is such a structure of Chittagong City Corporation. Expansion of education facilities calls for quality private

universities, and such a move by the City Corporation is appreciable, but the university could well have been built somewhere else. Though influential people have gobbled up many other drains, such acts by incumbents have angered the people more.

The caretaker chief, Dr. Fakhruddin Ahmed, has visited the affected areas and used strong words against the elements responsible for hill cutting. He has also called for forestation in the depleted areas. But, equally important is the immediate creation of stringent and effective mechanisms to stop hill cutting permanently, because that is the best possible option for removing Chittagong from the edge of the precipice.

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Worst sign yet

GEORGE WEHRFRITZ

CHINA'S prime minister, Wen Jiabao, sounded the alarm during an inspection tour of Shaanxi province. In the face of a serious nationwide pork shortage, he urged farmers on May 26 to deliver "meat that is affordable to our city folk," and warned of social instability should they fail.

Whether the main culprit is a mysterious ailment that's killing swine in droves, or simply a surge in demand for China's favourite protein, the wholesale price of pork in the country was 71 per cent higher in April than it had been a year earlier.

According to Ministry of Agriculture statistics, consumers are now paying 29.3 per cent more for pork products and 30.9 per cent more for eggs, and in recent weeks the Chinese media have chronicled steep price hikes for beef, fish and chicken -- all indications that inflation, which officially hovers at a benign 3 per cent, could actually be running significantly higher.

China's boom -- and Wen's own political fortune -- hangs in the balance. Food prices are a critical indicator of whether China's economy can maintain

its five-year bull run without overheating.

Historically, inflation is also the harbinger of political unrest (the most recent example was the Tianan-men Square protests, which came to a head 18 years ago this week). Ever since, those who believe China can sustain double-digit growth have pointed to the relative absence of inflation.

Now that pillar of the Chinese miracle is under severe pressure. Goldman Sachs and HSBC recently predicted that inflation in China would soon rise to 4 per cent, well over the government's official figure and double what it was a year ago.

Last week officials pledged to help fight food-price inflation by releasing meat from the country's strategic pork reserve (stockpiled in cold storage and animals kept on the hoof). But as the mass-circulation China Daily pointed out, "The more pressing task is to prevent spiraling (food) prices from ripping through the economy."

Part of the problem is that in recent years, senior leaders (especially Wen, who holds the overall economic brief) have talked about restraint but permitted much faster growth than their

predecessors.

Beijing has favoured a low-key incrementalism, responding to soaring foreign reserves, a yawning trade surplus and the emergence of asset bubbles in stocks and urban real estate with baby steps: a slim interest-rate adjustment here, a slight uptake in the reserve ratio there. These are modest countermeasures given the forces at play in the world's fastest-growing major economy.

Some experts laud Beijing's go-slow strategy, but others criticise the leadership for leaving economic policy on cruise control ahead of two watershed political events: a key Communist Party Congress set for October and next year's Summer Olympics in Beijing.

Leaders "have an understandable desire for stability, social harmony and continued economic growth," argued Hong Kong's flagship daily, the South China Morning Post, in a blunt April 30 commentary. "But the government is approaching the economy gingerly, tweaking rather than taking forceful action that is needed."

Soaring food costs are merely the latest threat to the China boom. In recent months, GDP has hit an annual growth rate of

11.1 per cent, higher than most economists expected and about 2 points over the average in previous years. That prompted the IMF to call on Beijing to hike interest rates and adopt a more flexible exchange-rate mechanism to stem the tide of money now coursing into the economy.

Rocketing share prices on China's two main bourses have prompted financial luminaries -- including former US Federal Reserve chairman Alan Greenspan and Asia's richest tycoon, Hong Kong property magnate Li Ka-shing -- to warn of a Chinese stock crisis in the making.

"Liquidity is running from one place to another and the government is chasing it," says Nicholas Kwan, regional head of economic research at Standard Chartered Bank in Hong Kong. "They need to get the economy under control in the next one or two quarters. Economies build momentum, and if they let everybody run investments up and push stock prices up, then everyone raises prices, and we'll see a race to capture rents."

In some respects, food presents a uniquely delicate challenge; many specific pressures are pushing prices up, including the loss of agricultural land to

urbanisation, a national shift from grain -- to meat-based diets and soaring disposable incomes in cities.

Yet food inflation is also a manifestation of what many experts describe as Beijing's biggest macroeconomic failing: its reluctance to mop up the excess liquidity that's flooding the economy. "Inflation is starting to move up; this is a turning point," says Dong Tao, chief regional economist for Credit Suisse First Boston in Hong Kong.

Until now, Beijing's hands-off approach has helped the economy post some truly impressive numbers. China's current-account surplus is expected to hit \$400 billion this year -- pushing foreign reserves to a staggering \$1.6 trillion. Fixed-asset investments (e.g., the construction of new factories, offices and homes) in urban areas rose 25.5 per cent between January and April, continuing a five-year building boom.

This impacts food prices both directly, through increased consumer demand, and indirectly, as when the prices of inputs like feed corn spike. As pork grows scarcer and more expensive, consumers shift their menus to favor chicken, fish or beef -- driving those prices higher as

well. "(Beijing) has made no effort (to address these problems)," says Jay Newman, senior portfolio manager for AT Asset Management in Hong Kong. "For more than two years, they've aggressively avoided being aggressive."

It's hard to say exactly how fast overall prices are rising. Officially, the consumer price index is up just 3 per cent this year -- precisely the target set by China's central bank. But economists question the quality of price data (because local officials tend to report what the center wants to hear) and worry about price instability.

The prices of food, utilities and services have surged, while prices for items like consumer electronics and clothing have plummeted due to technological advances and manufacturing overcapacity. On average, deflation for TVs and tennis shoes may cancel out inflation for meat and fruit, but not the impact of food prices on political stability.

The pork shortage will surely feed the debate now raging among prominent economists over whether the world's fourth largest economy has reached the melting point. To bearish observers, including economist Andy



Xie, higher inflation strengthens the case that strong tightening measures are needed to deflate the stock and real-estate bubbles, curb over-investment and moderate GDP growth.

"There is this backlash in the Chinese political system against tightening," he says. "Leaders are scared that if they slam the brakes too hard, the economy will just go back into deflation." But to see where China is truly heading, just watch the price tag.

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