# POINT COUNTERPOINT

## Improving government apparatus Volatility in the oil market

**ABMS ZAHUR** 

I E are encouraged, inspired and certainly happy to hear from the Chief Adviser that there is a strong possibility for Bangladesh to become a middleincome country by 2021 AD if certain conditions are fulfilled. The most critical of them appear to be (a) improving level of efficiency in formulating and implementing government plans, (b) reducing administrative corruption to minimum,

(c) bringing political stability, (d) upgrading standard of our education,

(e) strengthening the base of our agricultural society, and (f) less visitation by natural disasters. During the last 36 years our achievements cannot be belittled though we have to admit that our growth could have been much higher had there been political stability, democratic rule, less number of natural disasters and tolerably efficient bureaucracy.

Improving the quality of the civil service is a long range problem and only modest short-term expectation is held. Total revenue collected by government expenditures and project aid constitute the administrative output of development administration which involves setting up of machinery for planning economic growth and mobilizing all allocating resources to expand national income, to improve industrial development, to manage new state economic enterprises, to raise agricultural output, to reform the educational system, to develop natural resources, to improve communication networks and to achieve other developmental goals. It is the conscious study of the conditions of public

Effective public administration is the key to modern state building. To achieve its ultimate goal of providing substantial benefits for the citizens at large, a level of administrative development must be attained. Achieving the level of a middle-income country is not an outlandish dream. What is needed is good leadership, capacity building of administration and stable political situation. It is time that the government starts working for upgrading the level of public administration so that the next elected government may reap the benefit of good governance.

administration in the less developed country like Bangladesh.

Bangladesh is a classic example of bureaucracy inadequate for the task of planning and executing coordinated country can be applied in programmes. To improve upon another. the present level of efficiency appreciably is not only difficult inspired by some really good so much of hindrances and hurdles. We strongly feel that to make the achievements more meaningful and effective urgent true administrative reforms.

Effective public administration is the key to modern state building. For effective administrative capacities sustained progress is needed. To achieve the last one year it has not yet its ultimate goal of providing been able to do enough to substantial benefits for the strengthen the capacity of pubcitizens at large, a level of lic administration. administrative development Reorganization of Public must be attained so that various modern knowledge can be transformed into action of custom office of Chittagong programmes. The essence of etc. are not enough. effective bureaucracy is wise and sound personnel development. Personnel administration is a very critical art in the process of political developalso an extremely difficult art. capacity building of administra-

building effective bureaucracy and civil administration. Mature skill and judgment are needed to determine whether the secret of success in one

The history of organised bureaucracy in Bangladesh is but also time-consuming. We more them 150 years (since have been impressed and 1854) old. However, due to political turmoil and instability reforms by the CTG within a its quality gradually went down. short period of eleven months Whatever was left there had because of establishment of a been quick deterioration due to fairly good governments amidst too much of graft, politicization and unrealistic pay structure. Due to loss of prestige and unattractive compensation pattern Bangladesh can no longer attention of CTG is needed for attract the majority of better students (as in the past) to bureaucracy.

Though the CTG has been able to show impressive performance in certain sectors during Service Commission or Election Commission or modernisation

There had been a number of studies on development of administration in Bangladesh during the last 36 years. These may be considered useful for ment and modernisation. It is starting fresh thinking about There cannot be any automatic tion. The new measures when guides or fixed formulas for proposed, may consider the

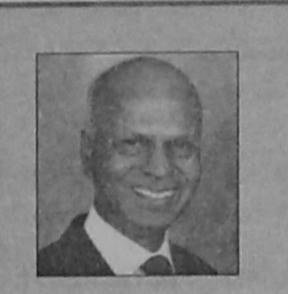
following points:

- · Majority of our people are illiterate and poor. As such they need simple administration with simple rules and regulations;
- · Administrative costs need immediate reduction as much as possible;
- The top and mid-level bureaucrats may be allowed decent pay and other benefits to enable them to devote their attention whole heartedly in performing their duties; and
- · Enough provision be made for incentives for truly honest and hard working officials, such as accelerated promotions and monetary and other benefits. The fulfilment of the wish

may be possible if the level of efficiency and motivation of bureaucracy can be raised. Despite high inflation, price hike of essentials the CTG has been able to show us the ability of good governance which we never could enjoy during more than three decades.

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N January 2, 2008, crude oil price briefly touched the psychologically important \$100 barrel mark on the New York Mercantile Exchange. On January 3, it even crossed the threshold and surpassed the \$100 barrier. Although it almost immediately retreated to under \$100, the record high price sent shockwaves across the economic world. The price of a barrel was \$11 in 1998 and below \$25 as recently as 2003. Even in the summer of 2007, the price had fallen to \$60 a barrel. So, why is this sudden surge in the price of

Under ideal market conditions, like any other commodity, oil prices should be determined by the forces of demand and supply.

There is no doubt that worldwide demand for oil is rising steadily. According to the Energy Information Administration, in 1964, world's total oil consumption was only 30 million barrels a day and in 2008 it is estimated to be close to 100 million bpd. The United States alone is responsible for nearly one quarter of total world consumption.

No discussion on demand for oil can be considered adequate without mentioning the rapid industrialisation of China and India. Even now, China accounts for only about 9 percent of world

With the coordination com-

Many experts conclude that current supply is adequate to meet current demand. So what pushed oil over \$100 a barrel? War in Iraq, rebel activity in Nigeria, rough weather in the Gulf of Mexico, turmoil in Pakistan and Bush's recent decision to increase the SPR have all played a role in hiking up the price of oil. The falling dollar

has also forced the hedge funds and traders to take refuge in oil.

consumption of oil. But China's proven reserves but also because sion to increase the SPR have all demand for oil is rising at such a rate that in recent years, China alone has been responsible for about a third of the increased demand for oil in the world. According to the CIA World Fact Book, China's consumption of oil is expected to equal that of the United States by mid 2020s. Since the Americans are not capable of Indians are determined to pursue a policy of rapid industrialiscontinue to grow in the foreseeable future unless, of course, there is a serious economic reces-

much more complicated. One Management, the United States has to take into consideration has the largest concentration of four factors -- production, expor- oil shale in the world, which is tation, capacity of the refineries estimated to be 2,500 gigabarrels to process and turn crude oil into usable commodities for industrial and private use and reserves under the soil. Although these factors are interrelated, they do not have the same impact on world's oil markets.

Few governments, if any, are ble. prepared to disclose the truth about their countries' reserves. According to data available today, the OPEC countries are reputed to have close to two-thirds of world's known reserves. Saudi in Nigeria, rough weather in the Arabia holds a unique position, Gulf of Mexico, turmoil in not only because it has the largest Pakistan and Bush's recent deci- Daily Star.

it is the only OPEC member which has got a spare production capacity of close to 1.8 million bpd which can be activated at short notice. Its cost of extraction

LETTER FROM EUROPE

is also relatively low. According to current estimates, although Canada's oil reserves come second to those of Saudi Arabia, it may actually have changing their habits as far as the largest oil reserves in the excessive oil consumption is world because until recently it concerned and the Asians, partic- was difficult to estimate with ularly the Chinese and the accuracy the vast Alberta oil sands deposits. Now that the oil prices are hitting \$100 per barrel, ation, the inevitable conclusion is it would be economically viable that world oil consumption will for Canada to invest in new oil sands projects.

Also there are doubts about the accuracy of Russian, Alaskan and Venezuelan reserves. According On the supply side, things are to the Bureau of Land of recoverable oil, enough to meet US demand for oil at current levels for 110 years. As conventional oil fields in the United States and Mexico dry up causing prices to rise, mining of oil shale may become economically via-

> From all this many experts conclude that current supply is adequate to meet current demand. So what pushed oil over \$100? War in Iraq, rebel activity

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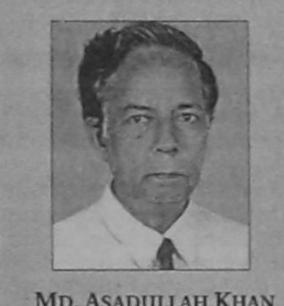
The falling dollar has also

forced the hedge funds and traders to take refuge in oil, gold (spot gold rose to \$880 an ounce) and other commodities. But the most insidious role is being played by the speculators whose activities besides being nefarious are having a destabilising effect on the entire world economy. Many of these speculators have no knowledge of the real oil market. In the words of the prestigious columnist William Pfaff, the oil exchange has been "transformed from a real business that bought and sold oil to be delivered to refineries and put to use in the world economy, into a gambling house in which a barrel of oil was no more or less than a casino chip". Mr. Chakib Khelil, this year's OPEC president, has just issued a similar

So what is the conclusion? How will the oil market behave in the next twelve months? My guess is that since under current legislation, it is difficult to curtail the activities of the speculators; the market will remain volatile -- oil price oscillating between \$75 and \$125. However, if the US economy enters into a prolonged recessionary period, oil price will most probably fall below \$75 a

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### Life after Sidr



MD. ASADULLAH KHAN

VEN after one month and a half the grim memories of the super cyclone Sidr that hit the coast of Bangladesh haunt the people there. Much is being done to help the victims officially, but it clearly isn't enough. Hundreds and thousands have been left destitute, families are torn asunder. No matter what is being done, the extent of the tragedy and the spread of devastation is such that we can make little difference to the survivors, especially the poorest of the poor among

Now that the immediate rescue and relief operations are over, we can concentrate on the long term rehabilitation of the neediest and the most vulnerable. Now we have to focus on the rehabilitation of a displaced people and rebuilding a collapsed region. In most of the victims by providing long term food supplies but what is needed is an effort of rebuilding homes and finding livelihood. The task is daunting one crore destitutes, several lakh homes to be rebuilt and lakhs needing medical help.

against nature. The devastating cyclone has warped the psyche of people. Their minds have turned as insidious as the sea thought at the present moment and manufacturing microthat crept upon them. They still you a guided tour of the giant biscuits, clothes or rice or cash and train them for other jobs. graveyard. If it was the tidal money can make up for a son or a

## BITTER TRUTH

Precisely true, long term rehabilitation project is the need of the hour and in order to achieve that there is need to build partnership with voluntary agencies in the area. The agencies have to be chosen for their contact with the community, especially the poor in the selected area and their commitment, honesty and transparency in functioning.

is the over whelming despair that is swallowing them now. It is hard to give pain a statistic. Months from now, even weeks this will be an old story, forgotten with time. The concern so silent, and minimal as it is, will have vanished like the sea from their homes. But hardship has no regular tides, it does not recede Shahabuddin and Monira so easily. For these people the cliché that life will never be the same again fits perfectly. Zayeda Begum (50) a widow of

late Abu Hanif Farazi of Sonatola village of Southkhali union of Bagerhat lost her four sons Iman Farazi (26), Emadul (23), Tajel (21), and Billal (18) in the super cyclone Sidr, while they were out on fishing in the high sea. Shockingly, Zayeda Begum did not get any assistance because the death of her sons could not the dead bodies or by identifying kin, including her husband come to its previous life form. Firoze Hawladar, nine year old True, November 15 pitted man her five member family is never Training centres have to be set fight everywhere. Over wrecked battered people to overcome They must know that there are nothing to fight over as in them too much through the rest Side by side, efforts must be

still not accounted for.

The image of Dholon Howladar (35) of Char Anda village of Bhola district grieving over the loss of 13 members of his family and Shahjahan Molla (50) of Kalagachia village weeping over the lifeless bodies of his wife Anwara and two children brought home the grief and utter helplessness of the families living in the coastline in the face of the fury of the cyclone and tidal surge that time and again continue to batter the lives of these hapless people.

The damage is around several thousand crore taka and in the agricultural sector alone the damage comes to about 1000 crore taka as per the initial estimate. There are more than one crore people who must be fed, be confirmed either by locating clothed and given medical help until the next Boro harvesting their graves. Driven to destitu- season because they are barely tion, most of the families in in a position to do things on ensured survival of the cyclone Golachipa, Dublar char and Alor Sundarbans is colossal and an kol are a disenchanted lot. unofficial estimate suggests that Piecing together the shattered one fourth of the heritage forest for drinking. life of Rehana of Rayenda village has been destroyed and it will who lost four nearest kith and take years for the Sundarbans to

The battle must now move son Rabbi and two daughters of from survival to subsistence. process, a wretched one. The making, vermin-composting is how much can we help these concrete roofing tiles to women.

With rush of relief materials warming mounts up.

waves that gobbled them then, it daughter washed away or a wife and assistance in cash and kind from home and abroad in the affected areas, the trick at the present moment is efficient utilisation. NGOs may be asked to choose their area of function such as shelter, livelihood and comprehensive village development and they have to be selected and allocated work based on their past performance and reputation. Survivors are still living in the open. What is needed is speedy and coordinated decision making about long- term rehabilitation measures. NGOs and other agencies conducting relief operations and rebuilding the lives of the battered people might recall that during the last Tsunami tragedy of 2006 in Tamil Nadu, India, Tata Projects Limited, Hyderabad rushed to Nagaputtinam with a desalination mobile van that could produce 3500 litres of potable water an hour. Let us take a look at the coastal region of Bangladesh affected areas government has Sharonkhola, Borguna, their own. The damage to the that was swept by the tidal surge that turned all available sources of water highly saline and unfit

of the day must give serious thought about procuring some desalination plants to be used only at the time of such disaster. It is worth noting that after the would continue to operate for two years with a capacity of 1250 litres per hour. On the other hand, dearth of building materihomes, wretched relief, and their distress, so that those other ways to survive. They need als and sizable funds to reconruined lives. Those who have dreadful memories do not haunt not depend on the sea alone. struct their houses have clouded their hope of returning to a nor-Borguna and Sharonkhola, give of their life. None of the blankets, afoot to educate their children mal life. This may not be the last disaster, believably, as global

mittee set up and its functioning placed in charge of the Adviser, communications ministry, things may be moving in the right direction. Disaster management officials and affluent sections of the society including business groups who have come forward to do something meaningful for the survivors in an effort to rebuild their lives and give them protection against such colossal disaster in the future might take cue from the Tsunami disaster management efforts undertaken in Tamil Nadu. In an effort to ensure flawless and tangible result, rehabilitation projects must be carried block by block in the devastated villages by individual groups with accountability. Reports reveal that in Devaputtinam in Tamil Nadu there is now a new orphanage built by Vivek Oberoi, a cinema star, that can serve multipurpose use: rehabilitation at the present moment and shelter as and when a disaster strikes.

Like the SOS Children's village

constructed in Bhubaneshwar,

Orissa after the super cyclone with assistance from the Care Today society (India Today Magazine group) for providing home and education to 100 youngsters orphaned by the cyclone, media groups here collecting funds for relief to the cyclone victims could take rehabilitation measures on that line. From now on the government The society also constructed 100 disaster-resistant houses in Erasma, Orissa for women who lost their husbands and bread winners. Other than that different philanthropic groups in easy. Village after village bear a up in the affected areas to impart mobile van, the Tata team association with UNDP conhaunted air. Healing is a slow livelihood skills, such as mat installed a static plant that structed eight multipurpose community shelters in Jagatsinghpur district that are now being used for various other purposes: as class rooms for preprimary centres, mahila mandal offices and as venues for community meetings and functions. Can we not replicate these models here in the affected region of Bangladesh?



In addition to the community ownership of the assets, a special feature of the project has been the use of low- cost, disasterresistant construction technology that makes use of locally available materials. The walls have been built using the "rattrap bond" brickwork that uses lesser bricks and cement-mortar than usual and does not require external plastering. The roofs have filler-slab concreting,

include plinth and lintel bands and anchorages in the construction. The shelters, therefore, serve as demonstration units for a construction technology that is crucial in a region living with the spectre of a tidal battering looming large over it.

Precisely true, long term rehabilitation project is the need of the hour and in order to achieve which is 25 per cent cheaper that there is need to build part- and Controller of Examinations, BUET.

than conventional RCC roofing. nership with voluntary agencies Other disaster resistant features in the area. The agencies have to be chosen for their contact with the community, especially the poor in the selected area and their commitment, honesty and transparency in functioning. Adversity brings with it opportunity and the Sidr in the coastal areas of Bangladesh offers us one. If we fail them now, we would have failed ourselves.

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