

## Hasina's treatment abroad

Politics should not get the better of health issue

WE express our satisfaction over the government's initiative and court's ruling that will enable former prime minister Sheikh Hasina to go abroad for medical treatment, as recommended by her doctors.

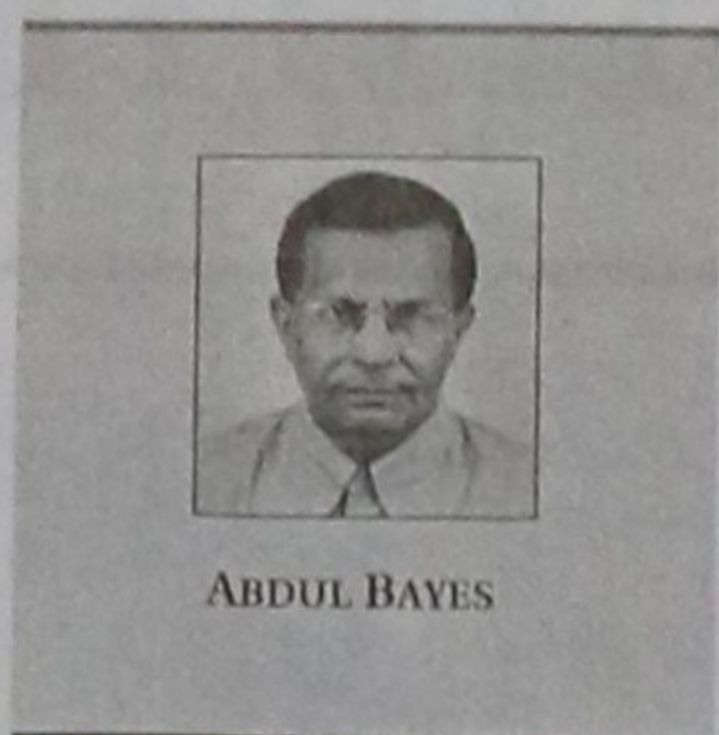
That said, the regrettable truth of the matter is that the whole issue of medical treatment of detained top political leaders has been reduced to something of a farce, thanks to all kinds of theatrical dawdle and playing around. There is no doubt in any one's mind that Sheikh Hasina should have been allowed to go abroad for better treatment much earlier. The doctors have been warning for months that Sheikh Hasina might completely lose her hearing if there was any delay in the treatment of her ear complications. But the appeal, desperate that it was, could not elicit a favourable response from the government. It seems political gamesmanship was badly mixed up with an essentially humanitarian issue.

Now, the situation has changed rather dramatically with everything appearing to be all right as far as Hasina's expected trip abroad is concerned. It is really not at all clear how the heaps of obstacles, mostly procedural, that stood in her way, and were publicised so enthusiastically by the government functionaries, have disappeared all of a sudden! It is rather remarkable how all the pieces have fallen in place now while they didn't earlier on! Does it not smack of expediency or convenience? What message will it send to the observers eagerly watching the often baffling developments surrounding the health conditions of the arrested top political leaders? What impression does it create of our judiciary?

Khaleda Zia, the chief of BNP, has had to dismiss speculations about her going abroad for medical treatment. Similarly, there has been talk about Koko, Khaleda Zia's son being sent abroad. In all these instances, political expediency seems to have the last say. However, we find Khaleda Zia's sudden love for local treatment quite hypocritical. Her numerous visits for medical treatment abroad, especially Saudi Arabia, are neither lost on us nor on the people of the country.

Finally, the option of getting the best medical treatment that may include the option of going abroad should remain open to all detainees as it is a part of a citizen's fundamental right and a government's obligation to respect it.

## Hoping for a hands-on budget



ABDUL BAYES

### BENEATH THE SURFACE

This year's budget is said to be a "mega" budget of about Taka one hundred thousand crores, or roughly one-third of GDP. Quite obviously, the size of the budget is determined by the need and availability of resources. We fully agree with the view that an expansionary fiscal policy is the best way to increase the effective demand in the economy and to keep entitlements, especially of the poor, in the right order.

FINANCE Adviser Mirza Azizul Islam presented the national budget for 2008-09 (FY09). The Hon'ble adviser seems to be a lucky as well as an unlucky person. Lucky because he had the privilege of presenting two national budgets, which an adviser of a caretaker government is not supposed to have. But equally, perhaps, he is unlucky because he had to sail through very rough weather. It is true not only for him but also for all finance ministers worldwide.

The year that has just passed was one of the most critical years that our economy had to grapple with. The back-to-back natural disasters, rising energy and food prices in the international market, political instability, rampant corruption etc., seemingly posed no promise for the economy. It is, thus, not surprising that many of the commitments that were made in the previous budget could not be materialised. For example, inflation rate could not be contained, the

shaky business environment hardly healed, the power sector is still imperilled, and political instability looms large on the horizon.

Empirical evidence on perceptions appears to indicate that the economic condition of the people in general has deteriorated over the last one year. This sharply contrasts with the trend of the last two decades, when net economic change was reported to be positive. The economic growth rate is estimated to have gone down and, *pari passu*, poverty level has gone up.

Our own estimates (62 village survey under the aegis of Brac) show that poverty level in rural areas in 2008 is 44%, compared to 38% in 2003-04. Thus, poverty in rural areas has increased by more than one percentage point per year during the last four years, and most of that occurred in the last one year. This, again, sharply contrasts with a decline by one percentage point per year during the last one decade.

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roughly one-third of GDP. Quite obviously, the size of the budget is determined by the need and availability of resources. We fully agree with the view that an expansionary fiscal policy is the best way to increase the effective demand in the economy and to keep entitlements, especially of the poor, in the right order.

Bangladesh also needs a bigger budget at this time since a sizeable chunk of the allocation will have to be devoted to erstwhile bypassed sectors. For example, subsidies on, and storage of, food grains, research and extensions for newer crop varieties and for unfavourable zones, and extension of safety nets etc.

But we should also bear in mind that management of the budgetary resources is the condition to be concerned with, and not with its size only. People rarely see the size of the budget; what they want to see is whether the budget can improve their well-being or not. For example, allegedly, resources tend to remain unutilised in important sectors due to bureaucratic and

other barriers. What could worry the critics is the substantial hike in the revenue expenditure in this budget. In the finance ministry's documents, the revenue expenditures are bracketed as "unproductive" expenditures comprising, for example, pay and allowances, subsidies and grants, payment of interest etc. We can possibly give reasons for the rise in revenue expenditures: pay hike for salaried employees to compensate for the loss of real income, growing subsidies on inputs and outputs, and enhanced size of interest rate bill.

It has been observed that in recent years, government borrowings, both domestic and foreign, have been blowing up. The government had been borrowing from the banks and the public, thus crowding out private investment. But the point to note is that more than one-fifth of the revenue expenditures go to pay interest rates for the borrowed money. Why borrow money?

It is largely for feeding loss-making state enterprises or for

meeting other unproductive expenditures. By and large, a part of the revenue budget, in fact, does help productive pursuits such as subsidies and safety nets, but a larger portion appears to be counter-productive.

This year's budget stipulates relatively lower allocation for the Annual Development Programs (ADP). To be specific, the budget is about 4% lower than the previous one, and stands out to be the only budget after independence that witnessed a slash in ADP. Actually, ADP has historically been associated with productive or income generating activities.

It is true that there are certain components in the revenue budget that serve the same purpose, but ADP mostly takes account of growth augmenting sectors. We also reckon that a big ADP does not mean more growth and development unless the utilisation rate remains high and unless the projects selected were economically decided, not politically.

The experience of the last ADP, with a utilisation rate of 46%, points to the perilous state of our development projects, mostly in the energy sector. It remains to be seen how, given this success rate, the upcoming ADP could grease the wheels of the economy.

Growth is likely to be constrained by other factors also. For example, transfer of power to an elected government seems to be a major determinant of politi-

cal stability in the future and, hence, of the hopes of the business community. During the last one-year or so, domestic and foreign investment did not pick up to the mark. On the external front, remittances flow and export earnings from garments are faced with problems. Thus, low investment, low ADP allocation and adverse international scenario might constrain our economic growth rate and, hence, the attempts at poverty reduction.

The budget speech should have highlighted one very important philosophical question: are we to continue with the market economy paradigm leaving pin to plane in the hands of the market forces, or should we invoke state interventions in some sectors or pockets? The bitter experience of the recent past clearly calls for a "hands-on" approach, particularly in the food grain sector.

The state will have to play a much more active role in ensuring food security of the people, rather than leaving it to the mercy of the markets. Serious thought should be given on how to revive the jute sector, energise the energy sector and improve the lot of the ultra-poor, who constitute roughly one-tenth of the rural households.

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## Corruption in BTTB

We appreciate the clean-up initiative

IT is welcome news that BTTB authorities with the assistance of a taskforce, under the National Coordination Committee on Corruption and Serious Crimes, have launched a thorough investigation into the irregularities and corruption of many dimensions besides the major allegation of uncollected phone bills besetting the organisation. There are reports of wrong-doing, such as, keeping more vehicles than what is in the record book, unaccounted for overseas training trips, loopholes in paying salaries, and lack of transparency in the accounts division.

We understand the investigating authorities are poised to go deep into the allegations and come up with substantial evidence against the corrupt elements. Equally important is to come up with suggestions of corrective steps.

The sordid tales of uncollected telephone bills go back to decades, with no worthwhile steps taken so far for the recovery of the money. The arrears stand today at a whopping Tk 642 crore. It is regrettable that of the mentioned amount, various government organisations owe BTTB Tk 120 crore and other semi-government institutions Tk 71.4 crore. It is further reported that the BTTB authorities have filed a case against seven officials for misappropriation of Tk 7.45 crore using fake vouchers during the period between 2000 and 2006. We believe this is only a tip of the iceberg of the level of corruption prevailing in BTTB and wider investigations are called for.

Tk 642 crore is a huge amount of money for a developing country like Bangladesh and we wonder why the BTTB authorities sat on the unpaid bills for such a long time. There should have been a fool-proof system in place right from the beginning to ensure timely billing and collection of bills by the officials. But when huge amounts running into crores remain uncollected, there is every reason to believe that a section of corrupt officials and staff members of BTTB were involved in the racket. These officials made personal gain at the cost of the revenue earning of the government.

The BTTB investigation must come out with palpable evidence unearthing the nexus having roots deep within. The ill-gotten wealth must be recovered and be handed over to the public exchequer and the corrupt elements must face the law of the land.

## The old song, the new song ...



SHAHNOOR WAHID

THE time to listen to songs has come. Our fate seems to depend on how good we are as listeners in this country where people even wail in tune. Oh, we had plenty to wail about. Now, once again we are hearing some old songs as well as some new songs, sung by our anointed leaders, who are amazingly good at it. They have been good at it because their business depended on how good they were at singing songs -- lullabies to be precise -- to keep the people in deep slumber.

So, after a long time we heard that old song again, that hit number titled "Unnayaner Jowar" (Tsunami of Development). We used to listen to this song day in and day out. Well, we noticed that the lyrics remain unchanged,

### SENSE & INSENSIBILITY

Now, what do we make of the songs, old and new, that we suddenly hear after a long time? There is only one explanation. Those in hibernation are now waking up from their self-induced sleep. The fangs and nails are growing bigger again, waiting for the ice to thaw, so that anarchy can begin once again, with no regulatory bodies to track them any further. As a result, raw courage is coming back to the camps that thrive on people's misery. The change in the use of language is noticeable. The stance has changed. The voices sound clearer and faces seem happier. Brow-beating has started, even if in a measured way, on the presumption that things are slowly turning around with the bright side facing them. Brick-battling to start soon?

the singer remains unchanged, and the tone and tune remain unchanged. In fact, the song surfaced suddenly the other day, which was reminiscent of the olden days.

Days when a section of people in the name of protecting, ate up everything that came their way: haor, river, canal, air, earth, forest, graveyard, school field, temple land, playground, children's parks, hill and so on. And while they went on ravaging the country, we were forced to listen to the song, "Unnayaner jowar."

Then came up a new song titled, "Shorno Jug" (Golden Decade). It is being sung by

leaders who had been sleeping like the seven sleepers of Ephesus, and like them woke up to find an entirely changed world. They are finding it difficult to adjust in the changed, new world. Therefore, to convince the people about their past deeds they have started to sing the song that tells how they had created a country where gold was as cheap as dirt, and that is why it was called the golden decade (they amassed plenty of gold, no doubt about that).

The other new song is about not going abroad for treatment. It has become a smashing hit right after release. It tells of a whole new concept, a whole new approach, a whole

new strategy to become a national hero and befool the people. Here is a little background story about the latest song.

You see, when our brothers and sisters are in power, and when they sneeze twice, they go to Bangkok, Singapore, India, London and New York for treatment, saying the health care system in Bangladesh is not modern and adequate enough for them. The sycophants scream hoarse that it is not good enough for the "Sirs" and "Madams," who work so hard to make the party workers millionaires overnight. So, off they go on such health trips, taking along two maids,

luggage" when they were in power. They want to know who earned and paid for the foreign currency spent on such trips. They want to know who paid the bills in foreign hospitals of the prime ministers and ministers while they were in power?

Now, what do we make of the 'songs, old and new,' that we suddenly hear after a long time? There is only one explanation. Those in hibernation are now waking up from their self-induced sleep. The fangs and nails are growing bigger again, waiting for the ice to thaw, so that anarchy can begin once again, with no regulatory bodies to track them any further. As a result, raw courage is coming back to the camps that thrive on people's misery.

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Today, all on a sudden, these "people" have come to realise that this is their very own country and that they have everything rooted here. Therefore, they must not leave the country for any reason, not even for treatment. Very good! In fact, very considerate of them! But, wait!

The people of the republic want to know about those monthly trips abroad with suitcases full of "unchecked

luggage" when they were in power. They want to know who earned and paid for the foreign currency spent on such trips. They want to know who paid the bills in foreign hospitals of the prime ministers and ministers while they were in power?

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## To cope with oil shock, emulate Japan

By 2006, Japan produced almost half of the total global solar power, well ahead of the US, where Russell Ohl invented a silicon solar cell, the building block of solar photovoltaic panels, which convert sunshine into electricity. The Japanese companies made their electrical and electronic consumer items and factories more energy efficient. Today Japan produces one ton of steel using 20% less energy than in the US, 50% less than in China.

DILIP HIRO

WITH the price of oil rocketing to the unprecedented level of \$130 a barrel, there is a talk of another oil shock. Unfortunately, unlike past instances, this one is unlikely to subside, and may indeed keep intensifying. The only way out is for Western nations, the gluttonous users of petroleum, to cut their consumption and emulate Japan in its consistent drive for energy efficiency and alternate sources.

The present explosion in oil prices is the fourth of its kind, but different from the previous ones in 1973-74, 1980 and 1990-91. The earlier oil shocks were caused by interruption of supplies from the Middle East, respectively due to the war between the Arabs and Israel, the Iranian revolution, and

Iraq's invasion and occupation of Kuwait. Once peace returned, the new order became established or the invader was expelled, supplies returned to normal.

This time, though, there's an imbalance between supply and demand, with no short-term prospect of the two balancing each other.

While responding to a tight market, oil prices rose steadily over the past several years, the upward trend accelerating last summer. In August the sub-prime mortgage crisis hit the financial markets, drastically reducing the market value of banks and other allied companies on the stock exchanges.

The concomitant downturn in other equities led speculators and investment-fund managers to channel their cash into such commodities as gold, oil and

even food grains. Another contributory factor for the rise in oil prices has been the steady decline in the foreign-exchange value of the US dollar in which oil is traded.

Over the past decade there has been under-investment in exploration by the state-owned companies in oil-bearing nations as well as Western oil corporations, partly because the cost of materials -- such as steel for rigs and pipelines -- and skilled manpower required for the purpose has risen sharply.

In the past, when the Organisation of Petroleum Exporting Countries failed to oblige by raising its output, non-OPEC nations like Britain, Norway, Mexico and Russia stepped up their production levels.

Now the output of non-OPEC states is either static, as in Russia,

or declining, as in Britain, Norway and Mexico. This widening shortfall cannot be filled by tapping into tar sands in Canada.

The key point is that the total petroleum reserves of the non-OPEC nations are only a third of OPEC's. In other words, the ultimate source of OPEC's strength is its possession of three-quarters of the global oil deposits. And no amount of arm-twisting of OPEC by the Western powers can alter that fact of nature.

While the supply side remains static, the demand side shows no sign of tapering off. The main sources of demand are China and India, which together make up two-fifths of the human race.

To maintain their annual expansion rates of 8% to 11%, to lift tens of millions of Chinese and Indians out of poverty every year, they need ample sources of energy. And oil is a vital part of their energy basket as it has been in the developed world.

An average American uses 34 times more petroleum than an Indian and 12 times more than a Chinese.

Whereas India has established itself as a leader in software, half of Indian households still do not

have electricity. Where electric power is available, outages are commonplace as demand often exceeds supply.

While gasoline and diesel are required for buses and trucks as well as irrigation pumps, kerosene is a basic need for the Indian masses as a source of light and fuel for cooking. So the government finds it almost mandatory to subsidize petroleum products to protect the public from high prices in the international market. This is also the case in China.

Little wonder then that these two mega-nations now account for three-fourths of the annual growth in demand for petroleum.

Both China and India are on the threshold of a car revolution. At present there are only 10 cars for 1,000 Indians whereas there are 778 vehicles for every 1,000 Americans. To raise India to the level of a mere 100 automobiles for 1,000 Indians would require an immense jump in petroleum usage.

Since supply is unlikely to rise appreciably in the near future, the stress must be laid on curtailing demand. And that can only happen in the Western nations. As it is, in the face of soaring prices at gasoline stations, US

demand fell by 3% during the first three months of this year.

It's worth noting that a similar decrease occurred in America after the quadrupling of oil prices in 1973-74. That oil shock led to a drive for fuel efficiency in the US, West Europe and Japan. It also gave a boost to developing renewable sources of energy.

But whereas Japan has followed a consistent, long-range policy, and reduced its petroleum usage, America has not.

During the presidencies of Gerald Ford and Jimmy Carter, the US improved fuel efficiency for vehicles as required by a federal law. Carter announced a \$100 million federal spending on solar-power research and development and set a personal example by installing a solar-water heater on the White House roof.

During the presidency of Ronald Reagan, oil prices fell sharply, and there was a reversal of the policies on energy efficiency and conservation, and developing of renewable sources of energy, dramatised by Reagan's removal of the solar panel from the White House roof.

In the private sector, US utilities cut their investments into energy

efficiency by half. President George H.W. Bush, an oil man, followed Reagan's lead.

But Japan's government and private companies stayed on course. By 2006, Japan produced almost half of the total global solar power, well ahead of the US, where Russell Ohl invented a silicon solar cell, the building block of solar photovoltaic panels, which convert sunshine into electricity.

The Japanese companies made their electrical and electronic consumer items and factories more energy efficient. Today Japan produces one ton of steel using 20% less energy than in the US, 50% less than in China.

On the whole, the Japanese cars offer better fuel efficiency than American cars. In 1995, Toyota introduced a "concept" hybrid car, combining an internal combustion engine with batteries, and began mass production seven years later.

Now, it's another Japanese corporation, Nissan that has promised to cut the cost differential between a standard and a hybrid car from \$5,000 to \$2,000.

Starting in 2002, Toyota leased hydrogen cell cars at \$10,000 a

month for 30 months, to government bodies, research institutions and energy-related companies for trial runs. Japan already has 13 state-owned hydrogen fueling stations, most of them in the Tokyo area, and a few energy-related companies also have their own fueling facilities.

In 2006, another Japanese company, Mazda, came up with a hybrid car combining hydrogen cells and gasoline. In the absence of a hydrogen fueling station, it runs on gasoline and uses existing engine parts and production facilities to lower costs.

Little wonder that over the past dozen years, the oil usage in Japan has dropped by 15%.

The US and other Western nations ought to follow the example of Japan to bring about savings in oil consumption which can then satisfy the rising demand in China and India without causing a price explosion.

For the present, though, there's no quick fix for the current hike in prices.

Dilip Hiro is the author of Blood of the Earth: The Battle for the World's Vanishing Oil Resources.

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