

Lights out

As the saying goes, charity begins at home. The government will have to ensure first that the ACs of all government, semi-government, and corporate offices, including those of the ministers, remain shut during peak hours.

HUSAIN IMAM

POWER shortage has been a nagging pain for the people in Bangladesh for many years. It has turned into a crisis of serious nature in the last seven years or so because of gross negligence and wanton corruption on the part of those who were responsible for maintenance and development of this sector.

Only 80 megawatts of electricity was newly added to the national grid during the five years of BNP-led four party rule, although thousands of crores of taka (20,000 crore, according to some estimates) were pumped in during this period to meet the power crisis.

The two caretaker governments that followed and ruled the country for twenty-three months could not make much difference either. The result is what we face todayload shedding for 5 to 6 hours a day, even before the onset of full summer.

Two-thirds of the money earmarked for this sector during the 5-year period of

BNP-led alliance government is believed to have been looted and siphoned off the country by the corrupt elements having access to power at that time. The state minister in charge of the power sector at that time, after resigning from the post and the party, complained that he could not make sense of at least Tk. 6,000 crore out of Tk.15,000 crore that was shown to have been spent in this sector over the last five years.

Lt. Gen. (retd) Hasan Mashud Choudhury, adviser in charge of the power sector of the first caretaker government that followed the four-party alliance rule, having been shocked at the sad state of affairs of the power sector, promised to bring out a white paper on the massive corruption and mismanagement of the power sector.

Army chief, Gen. Moeen U. Ahmed, while helping the caretaker government of Dr. Fakhruddin Ahmed in launching a massive anti-corruption drive all over the country, informed the people that at least Tk. 15,000 crore was looted from the power sector alone during the said



Even before summer is here, there are frequent power outages throughout the week.

period.

Even last week, a national daily came up with a sensational report of cheating the government of at least Tk. 450 crore by a private company in collusion with some corrupt government officials of PDB by consistently supplying less quantity of electricity than what it was being paid for.

Unfortunately, neither the caretaker government published the promised white paper nor did they make any serious attempt to unearth the scam and punish the culprits, despite the fact that

they had undertaken a massive anti-corruption drive that saw scores of political bigwigs and business magnates behind bars.

The crisis has now deepened beyond any tolerable limit. Although the summer has not yet fully set in, load shedding, 5 to 6 hours a day, at least 6 days a week, at frequent intervals, has now become almost a regular feature, causing unbearable sufferings to the people at large, nay it has become the biggest impediment to smooth functioning of the country's economic activities.

The present government has frankly admitted the fact that there is no scope of improving the situation soon. As is the position now, they should be able to add another 700 to 800 megawatts of electricity to the national grid by the end of the year. This is not going to help much, because, by the time the additional 700 or 800 megawatts enters the national grid, the country's requirement of electricity will also go up by almost a similar quantity.

So the shortfall of electricity, which is around 2,000 megawatts at present, and so the suffering of the people, will continue to remain for quite some time, may even worsen at times, unless the government undertakes some bold and pragmatic short-term, mid-term, and long-term measures on top priority basis to improve the situation.

As long-term and mid-term measures, they will have to launch programs that will ensure increase in production and or supply of electricity at the rate of 1,000 megawatts every year for the next 5 years so that by the end of 2013 the country attains a production capacity of about 10,000 megawatts.

In addition to installation of a large number of new power plants based on coal, gas, and hydro- electricity, it is probably high time they get serious about the installation of nuclear power plants and use of solar, wind, and bio-gas energy in an extensive manner.

As we can understand from media reports, the government is, as short-term measures, seriously thinking of the following steps:

- Advancing the clock by one hour.
- Having the shutters of all shopping malls down by 7 p.m.
- Encouraging the use of energy saving bulbs in offices, factories as well as resident buildings.

I think these are some good steps, which the government should implement immediately.

The government might as well consider asking the private offices, as well as the city residents, not to use their air conditioners during peak hours (unless they want to use their own generators), and ensure that they comply with the decision.

But, as the saying goes, charity begins at home. The government will have to ensure first that the ACs of all government, semi-government, and corporate offices, including those of the ministers, remain shut during the same period.

It is also important that the government immediately initiates a move to carry out a thorough cleansing of the power sector. They ought to get rid of the corrupt and inefficient elements, albeit through due process of law, if need be by enacting new laws and regulations.

Captain Husain Imam is a retired merchant navy officer.

Route to recovery

It is not the 'if' any more, it is the 'when' are we going to be hit by the financial 'Sidr.' The category five cyclone, Sidr, had hit the southern districts directly in 2007 and the nation suffered indirectly, but has recovered. This time, the financial Sidr is going to damage the entire nation directly and the recovery remains uncertain.

MOAZZEM HOSSAIN

THE government now has in place a taskforce, headed by the finance minister, to observe and advise on the subject of the global financial crisis and the fallout from it.

The honourable minister also warned that the nation would be in economic difficulties for at least the next two years. The way things are unfolding in Bangladesh's major trading partners (mainly garments) and retreat of migrant workers (from Middle East and Malaysia), the difficulties could turn into a full blown economic turmoil if we fail to prepare for the rough journey ahead.

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It is now well known that the nation

against all odds (corruption, administrative inefficiency and overpopulation) has gained international recognition on managing natural disaster with credibility. The fear, though, is that we do not have much credibility in managing financial crisis of a global nature.

Thus, we must take a long and hard look at those countries, which managed such crisis before, even if the crisis was not a global one in nature. In this regard, the East Asian financial crisis of 1997 immediately comes to mind.

The word 'bailout' is a popular term nowadays all over the globe, although it is not new. In this part of the world, bailing out nations from financial turmoil was witnessed first when the IMF and other friendly developed nations bailed Thailand, Korea and Indonesia out from the crisis of 1997. Contrary to this, it was observed that Malaysia was also a crisis-hit nation that refused to be bailed out by the IMF in 1997.

The condition in 2008 and 2009 is somewhat different. This time the crisis

began from the US and other OECD nations, thus no IMF is available to bail them out. Plus, in the case of East Asia, the amount of bailed out money needed was in billions, and now it is in trillions, at least in the cases of the US and the EU.

The bailout waves have hit our nation as well. A few days earlier, the apex body of the big businesses (FBCCI) asked for BDT 60 billion to the PM for bailing them out from the present crisis.

Having said that, it appears that the business of bail out by the state is certainly not clear to the ordinary citizen. In simple words, as they say, under the bail out plans the incumbent government wants to support the big businesses with the tax payers' money, or from borrowing it, so that these businesses do not go broke and the workers can be kept on the payroll until a recovery is in sight.

Nations such as the US, EU and Japan have been bailing out private businesses in recent months. What awaits Bangladesh? It is certainly going to be the key task of the taskforce in the near future.

Bailing out or not, the present task is how to keep the economy from bleeding from the fallout of the great recession. A nation such as Bangladesh, having a lowest credit rating and poor foreign reserves for the prospects of bailing out, is very limited without indulging on printing money. All depends on how hard the economy lands over the next two years and how the multilateral donors behave during the time of crisis.

The rest of the commentary addresses the issue of the recovery from this mess. For the nations, rich or poor, at the end of the day, the major issue is how to recover with a minimum damage inflicted to the economy and recover within a shortest possible time.

In this regard, the recovery in East Asia, particularly Korea, has been spectacular in 1997 and 1999 with a bailout support by the IMF. In contrast, Malaysia's recovery from the Asian currency crisis, if not spectacular, was certainly remarkable without any support from the IMF or elsewhere.

One should keep in mind here that the IMF support for Korea came in 1997 against some stringent conditions imposed by the IMF. The then government of Dr. Mahathir Mohammad however refused to accept such a support for Malaysia.

At the end, both Korea and Malaysia recovered although Malaysia's recovery was slow by a few years. The table below gives some insights in this regard:

It is clear that by 2005, both Korea and Malaysia have recovered and have been growing again. Both the economies hit almost 5 percent growth level in 2003 and the inflation was brought down to below three percent in 2005.

During the crisis period (1997-99) both the countries were in deep recession. They, however, recovered from serious unemployment problems in early 2000, which hit double digits during the crisis period. It must be emphasised, once again, that for



What does the world financial crisis mean for Bangladesh?

the recovery the nations in question had adopted contrasting policies.

One can learn several lessons from both the experiences presented above. At this stage, the most important thing for Bangladesh is to prepare for the worst and also get the nation fully informed on the likely consequences before the crisis hits hard.

It is clear that there has been a diversion in the list of priorities by the government due to the several unwarranted incidents taken place in February and March: BDR carnage at Pikhana and fire at Bashundara shopping mall. The BDR

carnage started spreading branches nationwide through the 'operation BDR hunt' and the looming terrorist threats.

Unfortunately, we now face double trouble: economic and political, to say the least. An additional burden for the taskforce is the current uncertainty in the nation's security front.

There is indeed a major difference between Korea and Malaysia for a speedy recovery. Bangladesh escaped the Asian currency crisis in 1997. However, this time it seems that we are all on the same boat.

Dr. Moazzem Hossain writes from Brisbane, Australia.

Population: Some boom, some decline

Stabilisation of world population is perhaps the paramount issue of the 21st century. Without global population stabilisation, humankind will find it enormously more difficult to deal with the critical issues facing the planet.

JOSEPH CHAMIE

THE world population could reach 7 billion in just two years, and 8 billion perhaps in two decades. But that's not all. Dramatic declines in fertility rates in some countries and high

rates in others pose a critical challenge. Without balance, the world could be headed towards instability and turmoil.

The growth of population -- which stands at an estimated 6.8 billion human inhabitants -- has greatly impacted all life forms and the entire natural environ-

ment.

Although the world population continues to grow substantially, 79 million per year, the growth rate has declined by nearly half over the last 40 years. The cause for the slowdown is declining fertility rates.

While the average global fertility has dropped from about 5 to 2.6 births per woman during the past 50 years, considerable uncertainty exists about the future. Insofar as fertility is the engine driving the future size of world population, the uncertainty about the path of fertility in the future is one of the challenging questions of this century.

Between the years 0 and 1500, the world population was estimated to have grown from around 300 million to 500 million. In contrast, the 20th century ushered in the world's most rapid rates of population growth because while mortality rates fell, fertility rates generally remained comparatively high.

World population quadrupled during the past century, with 80% of the growth occurring during its second half with the 2 billion mark in 1927, and 3 billion in 1960.

There are also the enormous differences among regions and countries. Of the 79 million people added to the world every year, six of the most populous countries account for approximately half of this growth. India alone accounts for 21% of global population growth, followed by China, contributing 11%.

Among more developed regions, little demographic growth is taking place with many entering a period of population decline. In contrast, Australia, Canada, New Zealand and the US are projected to

continue growing due to relatively higher fertility and international migration.

In terms of annual growth rates, world's most rapidly growing region is Africa. During the last half century, Africa's population increased from 227 million to 819 million. The populations of Asia and Latin America are also expected to increase by about 25% over the next 50 years.

While the future population growth remains uncertain, some trends are clear. Most current rates of population growth are unsustainable in the long term. If fertility rates were to remain fixed, then the world population would exceed 11 billion by mid-century. While some countries, such as Germany and Japan, would decline to a small fraction of their current population size, others would increase many times their current size.

In the near term, there's little doubt that world's population will reach 7 billion, probably by 2011. Will the world reach 8 billion? Most demographic observers would say that it's highly likely, perhaps by 2025.

While on average fertility levels continue to decline, considerable variations exist across regions. Among more developed countries, rates are often below replacement levels with some populations already shrinking. The average level for Europe is well below replacement at 1.5 births per woman.

US is an exception here, where fertility has been close to the replacement level for a number of years. Fertility rates in less developed countries are often well above replacement at 3 or more births per

woman. In sub-Saharan Africa the average fertility level is 5 births per woman. A notable exception to this general pattern among developing countries is China, where fertility is 1.8 births per woman.

Some demographers expect that world fertility will remain above replacement for some time. Others see below-replacement fertility becoming the global norm in coming decades.

Average world fertility, they note, is about half the level it was in the 1950s. Lower mortality, urbanisation, increased education, especially girls, the growing employment of women, late marriage and the greater availability of modern methods of contraception are strong, universal forces that point toward low levels of fertility.

Also, they draw attention to the fact that today approximately 45% of the world's population resides in countries with below-replacement fertility versus less than 1 percent of world in the 1950s.

Over time, relatively small differences in fertility rates can lead to enormous differences in population size. If fertility rates eventually settled at about one-quarter child above replacement, i.e., 2.35 births per woman, world population would more than double to 14 billion by the century's end and continue growing thereafter.

But if fertility rates settle at about one-quarter child below replacement fertility, or 1.85 births per woman, world population would be around 5.5 billion by the end of the century and continue declining thereafter. In other words, replacement fertility in the long term is essen-

tially the tipping point for population change: above it growth and below it decline.

As noted earlier, this uncertainty about the path of fertility is a central and challenging question of this century given its impact on the future size of world population. Many demographers making long-range population projections see fertility levels eventually fluctuating around the replacement level. To do otherwise, as noted above, would lead in the long term to either large, expanding populations or small, shrinking populations.

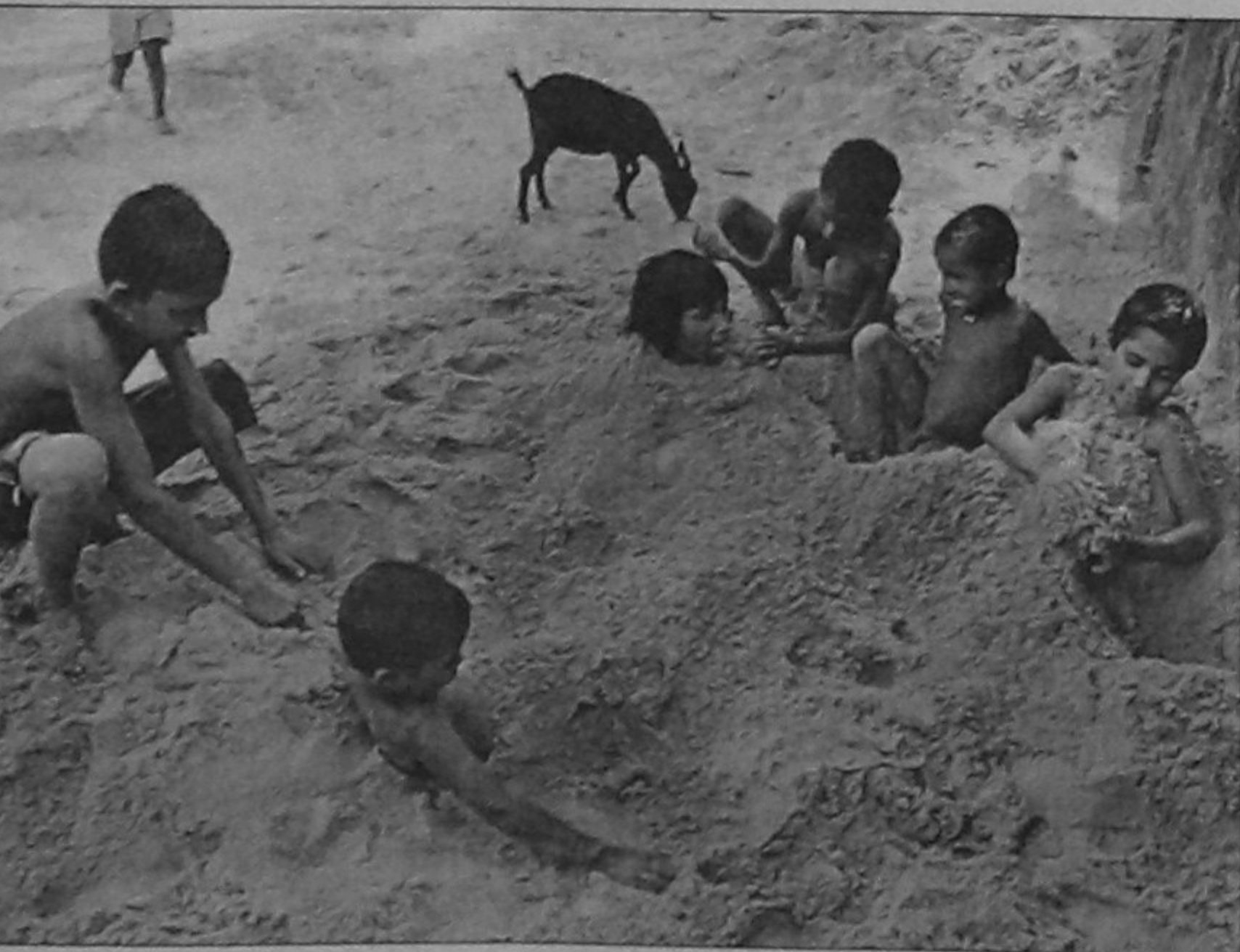
Assuming fertility rates gravitate to replacement during the coming decades and subsequently fluctuate closely around it, world population could in due course stabilise at around 9 to 10 billion.

Stabilisation of world population is perhaps the paramount issue of the 21st century. Without global population stabilisation, humankind will find it enormously more difficult to deal with the critical issues facing the planet, such as global warming, biodiversity, the environment, energy, food/water supplies, migration and security.

Path to population stabilisation requires sustained and critical attention and informed policymaking at all levels. Today's decisions not only affect human well-being, but also the quality of all life forms on Earth in the coming decades and beyond.

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