

Forest master plan

Treat this as cornerstone of national environment policy

WE applaud the government's plan to bring the country's forest coverage to 20 per cent in the next six years, up from the approximately 10-12 per cent that it is at present. The nation's dwindling forests are indispensable to the nation's long-term health and welfare, and even as population pressure, land erosion, industrialisation, and urbanisation make habitable land more and more scarce, we must not forget the importance of keeping large tracts of the nation's natural forested areas pristine and unspoiled.

Make no mistake about it; this is no simple thing. Land pressure in the country is so acute that land grabbers have no qualms about destroying or taking over forested areas, if they can get away with it. Thus it comes as no surprise that unlawful logging, clear-cutting, and grabbing of the nation's forest lands has been going on virtually unchecked for decades.

But if this is not stopped, indeed reversed, we face environmental catastrophe in the near future. It is estimated that a country requires a 25 per cent forest coverage for the general health and welfare of the population, and that anything less than that would lead to seriously negative environmental consequences.

It is notable that the government's plan stops short of this threshold level, and also that Bangladesh is a country has an abundance of natural foliage, and that therefore we should be able to maintain forest coverage even in excess of 25 per cent. So it is important that this initiative not end in six years and that it be part of an on-going exercise to clean the air, ensure pristine natural habitats, and ensure that Bangladesh remains scenic and liveable.

The government must keep behind this initiative. This means not just tree planting programmes, which we commend, but also strict compliance with the existing laws, and new regulations, if necessary, to ensure that existing forests are not encroached upon and cut down at the expense of the public good. The government must take severe punitive measures against the despoilers of the environment for profit if the initiative is to mean anything.

Saving our forests must be an integral part of the government's over-arching environmental policy to ensure that Bangladesh remains a beautiful, unpolluted, and healthy place for our children and grand-children.

Pesticide poisoning confirmed

Supervised application must be ensured for safety

A test by the Atlanta Centre for Disease Control and Prevention, the US, has confirmed that the four children who died in two villages in Dhmarai Upazila were actually victims of pesticide poisoning. The test results have removed whatever doubt there was regarding the cause behind the deaths which looked rather abnormal.

The US centre has found organophosphate, a poisonous ingredient used in pesticides, in the biological and environmental samples sent by our health ministry for testing. Now the worrying news is that organophosphate is used in preparing no fewer than 48 kinds of insecticides that local farmers spray on crops and vegetables. The danger is a very potent one, considering the fact that people consume various types of vegetables and cereals on a regular basis. It is feared that the poison might have entered the food chain extensively. The children appear to be most vulnerable. It seems many consumers are surviving rather luckily. But nobody should overlook the disastrous long-term consequences on the people at large. Such poisoning, besides leading to death, can have a crippling effect on the population at large.

Clearly, things went wrong as an overdose of pesticides was applied by the farmers in Dhamrai. The agriculture officers concerned have themselves admitted the unpalatable truth that the farmers were not following the safety rules while spraying pesticides. It has been confirmed by the Atlanta centre, but the question is whose duty was it to tell the farmers that they should never cross the permissible levels while using pesticides? Is it enough to register a pesticide and allowing it to be marketed while doing nothing to train its users?

The Dhamrai tragedy has exposed the extent of the hazards associated with using pesticides indiscriminately. Farmers have to be trained on scientific use of pesticides and fertilisers. This is no doubt a huge task, but considering the threat that indiscriminate use of pesticides poses to public health, there is no other option open to us. The agriculture experts should address the issue with a view to finding a solution to the problem of applying insecticide overdoses. A survey should also be conducted to find out what is going on all over the country. The Dhmarai case could only be the tip of the ice-berg.

Musing in mid-afternoon

So long, cows, heroin, yaba, speed, phensydil, small arms, trucks-load of assault rifles, grenades and rocket launchers were smuggled into the country. But now things have gone one scale up. Now, mafia dons are being smuggled into Bangladesh! What an achievement!

SHAHNOOR WAHID

Once again swallow the bitter truth....anything incomprehensible is possible in Bangladesh, if only one can spend the right kind of money. Money indeed can fetch "tiger milk," as the saying goes. There are people in this country who would cut open their mothers' throat if given the demanded amount. They would create a false document of owning government property with the help of some government officials and sell plots to willing buyers. They would grab forests and riverbanks and then go to a seminar to talk against grabbing and river pollution. These are some of our incorrigible VIPs and CIPs (Funny, there are no AIPs -- Agriculturally Important Persons -- though they work hard to fill our stomachs.)

So long, cows, heroin, yaba, speed, phensydil, small arms, trucks-load of assault rifles, grenades and rocket launchers were smuggled into the country. But now things have gone one scale up. Now, mafia dons are being smuggled into Bangladesh! What an achievement! We wake up one morning and come to know that mid-level dons, wanted in some foreign land, have started to cross over the borders with the help of their local cohorts. Who cares what damage those dons would do to the country? I need money and I would do anything to get it. Simple equation.

The arrested pati-dons have confessed their links with big dons, who are trying to set up a base or a network in Bangladesh with the help of some local

businessmen and politicians. Ah! Notice how these people are always behind all sorts of nuisance! Anything colossally scandalous, be sure the nexus of corrupt politicians and unscrupulous businessmen is there to reap benefit. I wonder, where their allegiance lies!

So, we wait for the drama to unfold the many mysteries involving the arrested pati-dons. We hope no one, no "influential quarter," will interfere in the investigation process. We hope we will know about those local businessmen and politicians who sold their souls to the devil. We hope the findings won't be brushed under the rug to save somebody's son or brother or brother-in-law. Remember, sons, brothers and brothers-in-law of politicians and top bureaucrats are a dangerous lot. They can be the cause of "The Fall of the Roman Empire."

The parliamentary sub-committee has taken the decision to ask the "terrible trio" to return Tk. 1.36 crore, the amount they had taken from the public exchequer as fuel allowance. But cynics are keeping their fingers crossed, speculating that no one will cough up a single penny. Why? Because those who have taken the easy-come-easy-take money still believe they had the "right" to take it. They also conveniently thought that taking furniture and upholstery from government quarters to their houses was their birth "right." How can you drill a sense of propriety into those thick skulls?

Looks like they have not learned any lesson from the recent debacle in the British Parliament. Actually, when it comes to money, all equations change



Artwork of the greedy!

abruptly. The recent news clipping from a British newspaper will throw some light on the ludicrous side of the whole affair. The Sunday Telegraph news item reads: "Labour MP Frank Cook has apologised for apparently trying to claim back from the taxpayer a £5 donation he made during a church service to commemorate the Battle of Britain."

"Mr. Cook said he had 'no recollection' of asking to be reimbursed, but accepted that the newspaper would not have invented the claim. 'I don't know how it happened. I have no recollection of it....in 26 years in Westminster, you will find no other claim from me on any kind of offertory donation or wreath for a funeral or memorial service....I don't know how it happened, it is wrong that it happened, I can't explain it and I am sorry that it has happened. I can't give any better explanation because I don't have one.... I am responsible. That's it. I can't explain it. I'm sorry.' Wow! At least there is some form of humility there!

A nation obsessed with litigation? If you notice keenly, filing a case in a

court of law seems to have become a pastime for the majority of the people of this country. Every day someone or the other is filing a case against someone or the other to send him or her to jail. On the other hand, every day people are running to the courts to get someone or the other released from jail. Imagine the man-hour we thus lose every day running to and from police stations, courts, lawyer's chamber and then jail!

Plaintiffs also withdraw cases on incomprehensible grounds. Why did they have to file a case in the first place? Well, it is a pastime, so they had nothing better to do perhaps. In this country of litigation-loving people, you will find dozens of cases filed against people ranging from our Jogai and Madhai to prime ministers, ministers, MPs and businessmen. But, dear litigators, if you could sit down with a cool head, you could settle many smaller issues outside the courts. Give it a thought, please.

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Corruption and the need for regulatory reform

The ugly truth is that in a competitive environment, most businesses cannot afford to be more ethical than their competitors. In a corrupt environment, laws are not enforced, and breaking the law may be a successful competitive strategy.

ZAHIN HASAN and ASIF ALI

WHY are we so corrupt? Why do Bangladeshi businessmen pay bribes? Prof. Múshtaq Khan at SOAS is famous for having made the following arguments.

Too much regulation imposes high compliance costs; non-compliant companies will therefore be lower-cost than comparable compliant companies. In corrupt environments non-compliant companies are not penalised, as officials are more interested in collecting bribes than in enforcing the rules.

In competitive industries, costs cannot be passed on to consumers; high compliance costs will force compliant businesses to close, as they will not be able to compete with lower-cost non-compliant rivals. In the presence of too much (cost-imposing) regulation, corruption "greases the wheels" and allows businesses to operate in a low-cost (non-compliant) manner.

Many will dislike the above argument, which appears to excuse corruption. Objectively, though, it is obvious that in Bangladesh, most regulations on businesses are not enforced; they are merely levers which government officers pull to extract bribes (from non-compliant companies).

An example will make this clear. Suppose you own a factory. The law allows you to require your workers to work overtime for 2 hours a day. Suppose your competitors are requiring their workers to work 4 hours overtime every day (while paying factory inspectors to look the other way.) If you are complying with the 2 hour overtime ceiling, you will take longer to manufacture an order than your competitors. If all else is equal, your customers will prefer to buy from your competitors; shorter delivery time is something that customers value.

The ugly truth is that in a competitive environment, most businesses cannot

afford to be more ethical than their competitors. In a corrupt environment, laws are not enforced, and breaking the law may be a successful competitive strategy. In the factory example outlined above, only a factory which is much larger or much more productive than their competitors (able to manufacture the same volume with fewer hours of overtime) can afford to be compliant.

How much regulation is too much regulation? In the factory example outlined above, the answer is obvious: if all small factories are forced to violate a certain labour law (in order to compete with larger factories), that labour law should only be amended so that it only applies to factories of larger than the average size (in each industry). Regulations, which put small businesses at a disadvantage, have a negative impact on competition.

The World Bank's Doing Business report is an interesting study of the Bangladesh regulatory environment. Did you know that to enforce a contract in the Bangladesh civil court system can easily take up to four years? This has extremely serious implications. In the absence of effective civil courts, some businesses employ mastaans to collect money, which is owed to them. Mastaans

are not just useful to political parties for collecting chanda; they are also useful to businesses for collecting legitimate debts.

The 2007-08 caretaker government took some laudable steps to identify and try to address over-regulation. In October 2007, a high-powered Regulatory Reform Commission (RRC) was established under the leadership of former Finance Secretary, Dr. Akbar Ali Khan, with a mandate to streamline and clarify the regulatory regime. This was followed by a high-level public-private dialogue, the Bangladesh Better Business Forum (BBBF), in November 2007. Since their establishment, both institutions have made a number of recommendations for reforms.

The current government should continue to work on regulatory reform. A good start would be to follow up on each of the RRC and BBBF recommendations. The government should openly discuss the RRC and BBBF recommendations and state plainly whether which ones it intends to implement and which ones it intends to shelve.

For more information, see: www.doingbusiness.org.

Zahin Hasan is a businessman. Asif Ali is a researcher.

It's going to be bumpy

President Barack Obama has said that Tim Geithner, whose job coincided with a credit crisis, faces more challenges than any Treasury secretary since Alexander Hamilton, the first to hold the post. Tim Geithner chatted with Newsweek editor Jon Meacham in Washington about the deficit and the financial crisis.

Has the economy bottomed out?

Things have clearly stabilised. You're seeing some improvements in credit markets. It took a long time for these problems to build up; it's going to take time for us to work through them. It's going to be bumpy. Even as growth starts to turn positive, which will happen, unemployment is going to keep increasing for a while.

You have two children. The deficit over the next 10 years is expected to hit \$11 trillion. How do you feel about saddling them with that debt?

Our immediate imperative is to get growth back on track. It requires us to do things that are expensive and in the short term will raise deficits. If we were to not do those things, then future deficits

would be higher and growth would be lower.

How big a political problem do you think the deficit will be going forward? If you listen carefully, the whole feel of politics -- the fiscal policy is different today. There's much more realism than we've seen in a long time. There's a broader appreciation that unless, you bring the growth of health-care costs down, we're not going to be able to address these long-term fiscal deficits. On the question of compensation, what's your salary, sir?

My salary is generous, appropriate for a public servant. It's under \$200,000.

Would there be a reasonable proposal that executives receiving tarp money should be capped at what the secretary

of the treasury makes?

No, I don't think our government should set caps on compensation. We need to make sure we put in place some broad constraints on the incentives that compensation systems create. You had a crisis magnified by the fact that people were paid to take a huge amount of short-term risk at the expense of their firm and the system as a whole.

Would you anticipate more populist politics coming?

You see a completely understandable and, in many ways, justifiable level of anger and frustration. Financial crises are indiscriminate in the damage they cause. In some ways, you could say the people who are most responsible suffer the most damage because of the choices made by the less responsible, and that produces a huge sense of unfairness.

What is this crisis most like in your view? You're a student of these things. Is this 1907 plus? Is it 1933 minus?

It has most attributes of any crisis. You go from excessive confidence about the future to a period where pessimism generates a contraction of activity. This one is more dramatic than anything we've been through, really, in two generations. It's also

true this is happening globally.

Do you think the global credit-card debt is the next bubble?

I wouldn't think of it that way. Americans are going to be reducing how much they borrow, improving their balance sheets, saving more. It might make recovery slower, but that's a healthy process of adjustment for us to go through.

The regulations on derivatives you announced last week -- if they had been in place, would we still be in this mess today? They would have helped, but they would not have been decisive. Again, like in any financial crisis, this was a crisis where people borrowed too much, and they took on too much risk -- in simple ways, not in fancy ways.

How do you manage incentives to make sure you aren't driving folks right back -- to a different part of the cliff but looking over the same abyss?

Presidents for a long time were submitting to their shareholders for their approval. That kind of disclosure can help a lot.