

How much is a human life worth?

If Bangladesh lawmakers pass a bill to require compensation for work-related deaths, in line with the concept of "statistical value of lives lost", developers and contractors will be paying more attention to safety and precautionary measures at job sites in future.

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A few days ago a news item caught my attention. It was reported that workers in the ship breaking industry receive little or no compensation for injury or death at the workplace. I also read on a website on Bangladesh that, "only a nominal amount of compensation is given and often only when there is public pressure." If this is the state of affairs in this large industry, one can surmise that the situation is not much better in other medium and small-scale industries in Bangladesh. Most of us would probably agree that this needs to change and the sooner the better.

The issue of the adequate workers compensation is tied to a larger topic: the value of life and health of Bangladeshi workers. The time has come for us all involved in policy discussion in the fields of environment, healthcare, energy, and education, to name a few, to take a fresh look at the whole matter, and explore a related and vital question: what is the value of life of a Bangladeshi? Some of our readers will undoubtedly be taken aback at the crass nature of this question. I will admit that even in very enlightened academic circles and conferences in the USA this question has often been met with surprise and disdain or both. A common reaction is: "of course, life is valuable, but how can you put a monetary value to it, at a par with other tangible objects?" Others have said, even if you can assign a numer-

ical value, also known as a statistical value, to a human life, it is not to be used as a yardstick for any policy decisions. My goal in this article is share with you some thoughts and ideas that have been gaining ground in recent years.

Let us consider the case of the lives lost and the injuries caused by the incident that occurred during the demolition of Rangs Tower in Farm Gate. While I do not want to point fingers at anyone, I know in my heart that these deaths were preventable. Each of these construction workers had a family to support, and they were working in the demolition of the building without any understanding of the risks involved in the work they signed up for. It can be surmised that they were not told of the risks, nor do I think their wages included a premium for the higher risk involved in this type of work. I was informed that the families did receive some compensation, but even at a generous rate, their lost lives would not have been sufficiently compensated for, either for their family or their friends. My point is, if Bangladesh lawmakers pass a bill to require compensation for work-related deaths, in line with the concept of "statistical value of lives lost", developers and contractors will be paying more attention to safety and precautionary measures at job sites in future.

Other countries faced with similar situations have adopted this compensation practice. After the 9/11 attacks in the USA, when more than 2,900 lives were lost

in the collapse of the World Trade Center, the US Congress decided to offer cash compensation to the families who lost a beloved one. One interesting aspect of the program was, the government used a well-accepted formula to calculate the value of each life, and, as a result, the amount offered to the survivors was not equal for each life lost. Some got as much as 10 millions while other received less than a million. While most people would be reluctant to assign a dollar value to the life of a dear one, nearly 98% of the families who lost a member in the 9/11 attack settled with the government, in other words they accepted the monetary compensation as adequate, or in simple terms, the price was acceptable.

How did this happen? Without getting into too much details, allow me to summarise the principle: the amount of compensation in each case was determined by a formula that gave consideration to a deceased's age, annual salary, field of profession, education, and a few other factors that were deemed relevant to an individual's lifetime earning capacity. For example, a lawyer from a top school making six figures was considered worth more than another middle-aged individual who made a five-figure salary working for a building maintenance company.

A few years ago, while working on Bangladesh national environmental policy, I proposed that in order to prioritise our environmental problems and to determine how much we could allocate to addressing these problems, it is worth looking at the number of lives saved and health outcomes of these actions. While my goal was not to suggest that, we can get all our priorities right using this approach, one might be able to shed light onto issues such as clean drinking water, avoidance of traffic congestion, and various health and sanitary measures. This rethinking can be achieved if one is

willing to consider the currently accepted principle of welfare economics that considers life, health and other quality of life outcomes desirable.

Is there a downside to this "value of life" algorithm? Sometimes one could take the argument to extremes. A rumor going around in the current health care debate is the following story: In UK, a patient suffering from terminal cancer of the liver was considering a surgery to treat her cancer. The team of physicians assessing her prognosis thought the surgery would prolong her life for 6 months. However, the surgery itself was expensive and the National Health Insurance Authority was faced with the difficult decision of authorising or not approving the procedure. It is rumored that the board decided that given the fact that 6 months of the women's life was not worth the six-figure cost of the surgery, she was denied authorisation and duly expired.

The concept of value of life assumes enormous importance in the context of environmental and medical policy. If another major oil spill occurs in the USA causing loss of lives, or a chemical company is found to be illegally dumping toxic waste in the ground without any remediation and this causes cancer in the neighboring towns, the courts and civil administration have to make a determination of the cost of lives lost. The principle is of importance. If we ignore the principle due to philosophical or religious beliefs or do not give any importance to lives or health effects of any industrial or natural disaster, we cannot adequately determine the importance of projects that compete for limited funds. After the Bhopal accident in India, it became known that many cost-cutting measures contributed to the failures that caused the gas leak. However, if Union Carbide (UCC), a US



We need increased precautionary measures at job sites.

company, had asked the simple question: What are the potential costs of failure and how much damage could it cause, even the low average compensation amount (Rs. 100,000) would have forced UCC to maintain the safety and maintenance protocols they had in place but never followed. If human lives are considered "free" and as expendable as clean air and water, we'll soon find ourselves making the wrong decisions in many other areas of public policy. Do we cut down trees in a park, only because there is no use for them except for recreational purposes? Is a reservoir to be drained and built over because its only use now is for swimming and boating?

Answers to these questions can be

only explored if we are willing to grapple with the thorny issue of the "value of life".

Briefly, my point is that while paradoxical as it might sound, only if we put a monetary value to life would we be able to value and save human lives. If power generation has a market value, and human life does not, then soon we'll have power generation taking precedence over projects that positively affect human life and health, protect our ecology, and improve quality of life.

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Improving the Doing Business ranking

In the midst of the global recession, Doing Business rankings play an ever more important role in attracting scarce investment. Investors seek countries with sound business environments and often the yardstick for this is the Doing Business ranking.

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DESPITE several successful reforms last year, Bangladesh has slipped a few places in the latest Doing Business ranking. Why? We were unable to reform as fast as other countries such as Rwanda.

Last year, Rwanda was 30 places below us in the Doing Business ranking. This year, it is 52 places above us. Rwanda has reduced the time and steps required to register a company (now 2 procedures and 3 days), improved access to credit (2 new laws for improved regulations) and simplified property registration by reducing the time from 315 days to 60 days. Rwanda has also enhanced cross boarder

trading through reforms in customs administration, reduced number of documents required and the implementation of border cooperation agreements.

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Now the question remains, were we aware of the importance of the Doing Business ranking and has the government taken any initiatives to improve our ranking? The answer is: yes and yes. Among the few good initiatives of the caretaker

government, a high-powered committee was formed in the chief adviser's office to monitor the Doing Business performance of various regulatory and service agencies of the government. The government also established the Regulatory Reforms Commission (RRC) to recommend specific reforms to improve the business environment.

In many countries, such strategic institutions play a very important role in improving their investment climate by reducing the time and cost of doing business. South Korea (ranks 19 in DB) is a good example of such a success story. South Korea established a Regulatory Reform Committee in 1998 and since then, has reduced the number of regulations from 10,554 to 5112 by 2007. As a result, South Korea successfully battled the Asian Crisis of 1997 and from a negative growth in 1997 (-6.65%), in just 10 years has become the fastest growing nation in the region (9.8% in 2000 and 5.1% in 2007). Currently, it is also reviewing the regulations to battle the current economic crisis.

The RRC of South Korea, or any country, is a necessary strategic institution because its sole focus is the investment climate. While all businesses and organisations may believe a better investment climate would be helpful, they may not have the commitment or resources to actually pursue any specific recommendations to help the government improve the climate. An RRC-type institution keeps an eye on the nation's regulations, identifies possible places for improvements, which they test through Regulatory Impact Analysis (RIA) and regular stakeholder perception surveys, and make actionable and research-based recommendations. The importance of such an institution should not be underestimated.

Bangladesh's RRC has played a very important role in improving our business climate. Our RRC studied the various government processes and regulations and recommended specific improvements or process streamlining. The RRC has so far made 135 recommendations in 20 broad areas among which only 46 recommendations have been imple-

mented. If these recommendations were implemented more quickly, we might have ranked higher in this year's Doing Business report.

RRC recommended specific reforms to reduce time required to register a company with Rjscf. The government implemented the recommendation to automate name clearance and registration which has reduced the time taken to register a business -- an achievement recognised in the Doing Business report.

RRC also recommended improvements in processes for getting licenses, registering property and trading across border. Bangladesh ranks 176 and lags in the registering property indicator -- time taken to register a piece of land is 245 days, 8 procedures and costs 10.2% of the property value. The RRC has 33 specific recommendations on modernising the land registration process; if implemented, land registration will become much more efficient and our ranking in this indicator will improve significantly.

Unfortunately, despite this government's mandate for Change, the bulk of the RRC's recommendations have not yet

been implemented nor have RRC's future plan been endorsed by the government. The commission convened only a couple of times this year, whereas, they held ten meetings the previous year. RRC started with a well-equipped secretariat with qualified support staff -- that secretariat is now virtually empty with the CEO and a few directors gone but not replaced. The Secretariat is supposed to help the commission carry out studies, monitor implementation and advocate reforms. There is very little enthusiasm among civil servants to get a posting in such an agency as they are posted here on an OSD status, losing regular benefits.

If we are to compete globally, we need to improve our Doing Business ranking. To do this, the government should introduce a systematic monitoring process to track improvements in various license and permit processes, activate and support strategic institutions like the RRC and implement the recommendations already made by the RRC.

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Now Pakistan -- the sequential destruction of Muslim nations

Under coercion, Pakistan has started a civil war that will consume its economy, national security, and tear apart its social fabric.

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A conspiratorial view of the world is frequently inaccurate, exposing more the paranoia of the view rather than the reality of the world. The sequential destruction of Muslim nations -- Palestine, Iraq, Afghanistan, Pakistan (and Iran is on the list) -- may or may not be a conspiracy hatched in Washington D.C., but it is becoming an international reality. It is no secret that the United States and Europe, with varying degree of mutual cooperation and some make-believe internal discord, superintend the sequential destruction of Muslim nations. This War of Sequential Destruction (WSD), despite Nobel-Laureate Barack Obama's denials, refuses to go away.

The WSD is multi-frontal. It crosshairs Al-Qaeda, Taliban, Hezbollah, Hamas, Al-Bashir, Ahmadinejad, Sunni, Shia, Wahabi, Gaza, Iraq, Syria, Sudan, Iran, Afghanistan, and now Pakistan. Many Western policymakers rarely see Muslim nations, including allies, with any inherent respect. Vice President Dick Cheney described the Muslim world as "brute and nasty." Obama advisers, though more guarded in their word choices, see Muslim nations no differently. The idea that Islam is inherently violent, openly

expressed during the Bush administration, continues to animate foreign policy. The White House holds a new President but congressional leadership and Washington policymakers are more or less the same. Anti-Islamic policies of warfare and destabilisation are intact.

Therefore, the WSD will continue and gather momentum. The picture is not pretty. Palestinians are penned in misery and their territorial cage is constantly shrinking to meet the "natural growth" of vociferous settlers. Oil-rich Iraq is under American occupation and its communities have been torn apart with irreversible harm. Afghanistan, one of the poorest nations in the world, is placed under the boots of Western armies. Thousands of Afghans have been murdered, their houses bombed, their villages devastated. The International Criminal Court headquartered in Holland has indicted the first sitting head of the state, the Muslim President of Sudan. The United States and Europe, themselves armed with thousands of nuclear heads, are strategising to punish Iran for asserting a treaty-based right to produce nuclear energy, leaving open the option of attacks on Iranian nuclear facilities.

After razing Iraq and Afghanistan, the WSD has now turned to ravage an ally, Muslim Pakistan. Pakistan is a nation that



Many blame the US for Pakistan's current troubles.

the British, in 1947, carved out of India and that India, in 1971, broke into two, liberating Bangladesh from the murderous clutch of the Pakistani military. Over the past sixty-two years, Pakistan's military and civilian rulers, one after the other, and without exception, have turned to America for military training, weapons, money, and strategic instructions. Eager to send their sons and daughters to Western cities for education and employment, Pakistani politicians, generals, and bureaucrats all look for ways, and create the ways, to oblige Western capitals, particularly Washington D.C.

Partly for personal interests and partly out of faulty readings of geopolitical situations, Pakistani rulers, like most rulers in Muslim nations, frequently compromise national sovereignty and public welfare.

The Pakistani orientation for self-destruction serves American interests. Facing a failing campaign in Afghanistan, Obama advisers decided to expand the war into Waziristan and other parts of Pakistan. The United States desperately solicited the Pakistani military to join the Afghan war. Pakistani rulers, this time of a democratically elected government,

listened to the American call. They first permitted the CIA to fly drones armed with missiles, which killed a few militants but hundreds of civilians in the tribal areas. The United States later urged Pakistan to invade Swat to kill militants. Pakistan did. Millions of civilians were made homeless.

The reaction to drone attacks and the ground offensive in Swat was fierce. Pashtun and Punjabi militants began to attack soft and hard targets. They attacked police stations, military trucks, and even the military's fortified headquarters in Rawalpindi. Citing these counter-offensives as a threat to Pakistan's national security, the United States urged the Pakistani military to launch a ground offensive in Waziristan. The rulers listened to the call and sent 30,000 troops to Waziristan. Muslims fighting Muslims have been efficacious in weakening the Iraqi militancy. The same formula, Obama advisers are betting, will crush the Pashtun resistance in Afghanistan.

Certainly, the United States can kill hundreds of thousands of Pashtuns on both sides of the Af-Pak border, even if no more troops are dispatched to the region. Killing militarily weak populations requires no sophisticated military strategy. The convenient but thoroughly demonised label of "Taliban" provides the rhetorical shield to justify the ghastly massacres of civilians. Since the Pakistani military has joined the war, killings on both sides of the border will become even more robust. These killings will carry an air of logic, even legitimacy, since no

military presumably kills its own people unless it sees a threat to national security.

Under coercion, Pakistan has started a civil war that will consume its economy, national security, and tear apart its social fabric. The civil war will spill into many parts of Pakistan. It already has arrived in some parts of Punjab. Militants are unlikely to confine this war to sparsely populated Waziristan. They are taking the war to the most populated cities, including Peshawar, Rawalpindi, and Lahore. Karachi, which appears to be quiet, is sitting on a tinderbox. Karachi can erupt any minute, as its ethnic rivalries are primed for a civil war. It is sheer foolery and a grave analytical mistake to presume that the Pakistani military offensive will provoke no one but only a few misguided militants in the North.

It is not yet too late for Pakistan to return from the precipice of national suicide. Pakistan must take a U-turn and preempt the civil war. Pakistan must say an emphatic no to President Obama who must also carefully weigh the stakes of expanding the WSD to Pakistan. If the Nato forces cannot subdue the militancy in Afghanistan, adding one more military into the battlefield will not solve the problem of occupation and resistance. Furthermore, an internally torn Pakistan does not weaken but empowers militants. Obama advisers must ponder over one thing more: the people of Pakistan, like the people of Iran under the Shah, might rise to oppose the US hegemony over their internal affairs.

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