

All eyes on Copenhagen

The world looks expectantly for a deal

THE atmospheric build-up to world climate conference in Copenhagen on which the curtain is being raised today has been climactically propitious. It is marked by a forward-looking change at the upper echelons of the world order which also happen to be the biggest emitters of green house gases. As such they bear the responsibility of leading the way in cutting GHG emissions, a task to which they seem to be warming up with a degree of flexibility missing so far.

The change of heart in the USA, which had turned its back to the Kyoto protocol is rather remarkable and hope-raising. President Barak Obama beginning on a note of 'delay is no option' has graduated through making emission cut commitments to shifting the timing of his visit to Copenhagen to coincide with the summit in the final hours.

The US commitment admittedly falls short of the minimally required emission cut of 25 per cent from the 1991 levels, these being 17 per cent of the mid-2000 level which actually works out to 6 per cent at best of the 1991 levels. But with Europe, China and India making specific proposals to cut back on carbon intensities there is now a basis for those who contribute most to carbon emissions to try and work out a deal. Canada, Japan and Australia among the industrial countries are also taking a positive approach.

The Inter-governmental Panel on Climate Change of the UN, the most authoritative voice on climate change has debunked a theory lately touted by some detractors that it's nature rather than human activities that is principally causing climate change. So, the scientists and the political leaders are on the same page.

Apart from mitigation through carbon emission cuts, energy efficiency and greening of energy sources, the big issues before the summit are financing and technologically supporting adaptation measures by countries on the vulnerability radar of severe forms of climatic change.

It is estimated that funds worth US\$100 billion per year would be needed right up to 2020 for containing world temperature within 2 degree Celsius and limiting green house emission to 450ppm as well as in financing adaptation. But the known commitments fall far short of the estimated requirement.

The run-up is congenial, according to keen watchers of the unfolding scenarios to striking a political frame-work deal in Copenhagen which then is expected to be followed by a legally binding agreement sometime in the middle of 2010. One has only to wait and see whether something more than this can be achieved in Copenhagen itself. It's a real test for world leadership. They must rise to the occasion.

Under-aged drivers

Stop them from operating

IT is extremely disquieting to learn that on an average 28 accidents take place in the city every day. And what is of particular worry is that under-aged drivers of public transport are responsible for most of the accidents. The Dhaka Metropolitan Police is reported to have launched a special drive against these under-aged drivers and arrested 14 of them on Saturday.

The drive is no doubt a move in the right direction, one that should have been thought of and launched long ago. It is no secret that boyish faces at the wheel, mostly in the minibuses, cause a lot of anxiety to both the commuters and pedestrians. They never go by traffic rules and speed control and other safety measures are things unknown to them. Many lives were lost as these boy-drivers engaged in mad race for overtaking each other. They are often found to be unable to control the heavy vehicles and accidents cannot be avoided.

Commuters and pedestrians remain exposed to grave dangers when untrained, young drivers, usually conductors promoted overnight, take charge of big vehicles. Now the question is, what have these law enforcers been doing all these years? Even the grisliest of accidents could not prompt them to take some kind of corrective measure. Mini buses, the biggest menace on the Dhaka roads, are still terrorizing pedestrians with their highly dangerous movements. And all this has been happening under the very nose of the law enforcers. It is not known why the errant boys playing with the lives of citizens could not be stopped from doing so. Nevertheless, we welcome the belated realisation of the law enforcers that under-aged drivers cannot be allowed to operate.

The reasons behind traffic chaos and accidents are indeed numerous. The law enforcers themselves have admitted that 70 per cent of the licences carried by the drivers are fake. That brings the BRTA in the dock. One may ask why those with fake licence could not be brought to book in the past. It is obvious that the under-aged drivers only added to the already existing anomalies. The law enforcers including the BRTA in particular should wake up to their failings and lapses and make amends.

The under-aged drivers are one of the many symptoms of the traffic system functioning well below expectations. This situation must be overcome in a comprehensive way.

EDITORIAL

The ever-evolving cycle of crises

But it always remained inevitable that sooner or later globalisation would run into trouble, and what we have seen over the past two years is just the beginning.

M. ABDUL HAFIZ

WHEN the Berlin wall came crashing down 20 years ago the Cold War ended, and the mood was celebratory in the West. Instead of two superpowers there was one, and the only ideology that survived was capitalism -- a brash form of capitalism at that. The elder George Bush arrogantly proclaimed that the world had better learn how to do things the American way, because it was they who knew what worked. He said: "Free markets work." The reach of the market grew longer over the next two decades, encompassing China, India, and former Soviet Union along with its satellites.

The characteristic rapid growth of capitalism brought impressive poverty reduction, particularly in China and India. There were few Poles or Czechs who were gripped with nostalgia for the days when Moscow pulled the strings.

But it always remained inevitable that sooner or later globalisation would run into trouble, and what we have seen over the past two years is just the beginning. We ought not be fooled by the rally of the past six months. Americans are again running

down savings to consume goods they can no more afford. In tandem, China's export of consumer goods is booming. The global imbalances are back.

A combination of political change and technological revolution produced the upheaval. That was true when the Spinning Jenny followed the great European Enlightenment, and it was true when a second wave of inventions coincided with the crumbling of the 19th Century balance of power.

Digital technology and bio-science will catalyse the third industrial revolution, but this change will take place when the spread of the market has vastly increased the labour forces. So, America's hegemony is now being threatened by the rise of China. The appearance of the first cracks in the new global order came rather too soon.

The golden age, i.e. America's uni-polar moment, lasted barely for half a decade -- the period between the lifting of the Iron Curtain and the creation of the World Trade Organisation in 1994. But it was the successive financial crises that started on the periphery of global economy and gradually worked their way towards its centre. That was the indication that the

transition to market nirvana couldn't be either steady or smooth.

Understandably, the policy-makers were left bemused by the first systematic crisis of the global age. Until 2007 they had thought mistakenly that their job was to only tinker with market economies. They were rudely awakened to reality when the seed of new crisis struck the root surreptitiously. They were faced with an existential challenge. Where do they go from here? There are several options to choose and pick.

Option one is the process of creative destruction. The problem of the financial system in a market economy has precisely been the problem of not allowing the market to function properly. The badly run banks responsible for the market failure should be encouraged to fail and ultimately perish, so that the good banks conducive to the growth and functioning of the markets are allowed to come up and thrive.

The second option is that of business as usual. Predictably enough, it is the one forward by London's financial district and Wall Street. Given the size of their welfare cheques from the taxpayer, big finance can hardly demur at the prospect of tougher regulation although it is lobbying hard against more radical change.

The third option is business as usual plus extras. This recognises that there has been a systematic problem in the financial sector but sees the answer in tighter supervision, better surveillance of the

global economy by the International Monetary Fund (IMF), changes to capital adequacy rules to ensure that banks cannot lend as freely during the booms. Both Barack Obama and Gordon Brown seem to be pursuing this option.

There is a motley band for whom business as usual, with or without extras, means another looming crisis which will erupt before too long. They argue that the exiguous nature of current reform proposals is explained by the institutional capture of governments by the investment banks, the world's most powerful lobbying groups.

There is also an idea of splitting the banks into retail and investment arms. Others would go even further. A recent report by the UN Committee on Trade and Development (UNCTAD) urged rethinking of the "conventional wisdom that dismantling all obstacles to cross-border private capital flows is the best recipe for countries to advance their economic development."

Finally, there are those who believe that any conventional reform would yield nothing because any growth-based model is at odds with the viability of the planet. The political centre of gravity may be lying at a point between option two and three. Yet, a crisis is brewing up somewhere right here, right now as testified by human history and experience.

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Prologue to India visit

Prime Minister Sheikh Hasina is scheduled to visit India shortly. The visit is expected to be fruitful mainly because of a changed mind-set of politicians and bureaucrats in Bangladesh, and hopefully in India, in approaching the festering issues in an objective manner.

KAZI ANWARUL MASUD

PRIME Minister Sheikh Hasina is scheduled to visit India shortly. The visit is expected to be fruitful mainly because of a changed mind-set of politicians and bureaucrats in Bangladesh, and hopefully in India, in approaching the festering issues in an objective manner. Indo-Bangladesh relations have been bedeviled by a host of issues that both countries have been viewing from the narrow plane of self-interest instead of the changed global situation where integrated approach to presumed insoluble issues have proved to be more successful than disjointed approach aimed more at domestic audience than at the long term interest of the country and the people.

The reality of global political structure indicate asymmetric relationship that engulf many nations of the world has put into question the Westphalian concept of sovereignty, and no less, absolutist nature of "nationalism" that the Bush administration neo-cons and "new sovereigntists" who endeavoured to subordinate international law to US domestic law. Their attempts not only flew in the face of liberal democracy that flourished after the demise of communism but also succeeded in making the US feared, and lost for the US the role of beacon light for liberal progres-

sivism.

Undoubtedly, the leaders of all nations are engaged in bettering the lot of their people through socio-economic development. An example is putting on the back-burner the centuries old Anglo-French rivalry, the Thirty Years' War among European nations, and the German initiated carnage of the First and the Second World Wars to facilitate the birth of the European Union founded on common values of democracy and freedom as opposed to communism.

Though, as early as the 1920s, Austrian economist Ludwig Von Mises had perceived that vesting ownership of all productive resources in the state was irrational for once all markets and market prices were abolished, there would be no way of computing or comparing values and costs and no way of determining the efficiency of distribution of resources, the world had to wait for decades for the tearing asunder of the umbilical cords among the constituents of the Soviet Union.

The success of the Western democracies in awarding the people technological advancement hitherto unknown in human history, leading to the quantum leap to globalisation, has turned the world into a village where Thomas Friedman's flat earth has become a virtual reality.

But neither regional economic coopera-

tion nor globalisation is an unmixed blessing. As Japanese economist (Foreign Affairs Sept/Oct 1995) Eisuke Sakakibara noted: "Globalisation with economies of scale leads to oligopolisation of the world market, inviting strategic trade rather than free trade. More important, the interests of multinational corporations and those of workers and consumers start to diverge, and the cohesion of nation state as an economic unit disintegrates." This view in a way converges with that of Ziauddin Sardar who considers globalisation as the modern incarnation of colonialism.

But if one were to accept the reality of globalisation and regional cooperation and improvement of bilateral ties, as benefited then Sheikh Hasina's visit to India that, according to information available in the public domain, would result in India's giving non-reciprocal and concessional facilities for import of Bangladeshi products, discussion on transit to Bhutan and Nepal through Indian territory, purchase of power from India, food security, integrated approach to terrorism etc should be regarded as milestone in Indo-Bangladesh relations.

It is generally recognised that reproducibility is a key concept of the economics of production. While capital and labour are reproducible, energy remains an important non-reproducible factor of production. The possibility of India selling Bangladesh electricity is encouraging. Equally, cooperation ensuring food security would be of prime concern for Bangladesh. According to the US Agriculture Department July 2008 report, the global economic meltdown combined with food and fuel price hikes (though now fuel price is going down) contributed to the

ongoing deterioration in global food insecurity, with negative impact on countries that are most food insecure.

USDA's long term projection of price increase states that 90% of the price shift that the world had seen in 2005-07 will persist, putting tremendous pressure on low income households. FAO/WFP crop and food supply assessment mission to Bangladesh, in its August 2008 report, estimated that 40%, or 56 million, people were "absolute poor," i.e. unable to acquire the minimum level of food required to maintain normal health. Within this, 27 million were categorised as "hard core poor," i.e. unable to acquire two-thirds of the minimum level mentioned earlier; and 11 million as "ultra poor," i.e. unable to acquire half of the minimum requirement.

The prevalence of absolute, hard core and ultra poor increased from 2000-2005 due to population growth. For Bangladesh, external sources of food will decrease because Myanmar, due to cyclone Nargis, will not be able to export as much as in the past. In Thailand, too, exportable quantity is expected to decrease. India, that at the moment is importing food, will remain an important source for us.

Perhaps one of the sticking points will be the demarcation of maritime boundary between India and Bangladesh. Given the new found global status of India and the benefits of economics of integration - Bangladesh and India would be well advised to take advantage of the impending visit to sweep away the irritants of the past and chalk out a time-bound road map for politico-economic cooperation.

Kazi Anwarul Masud is a former Secretary and Ambassador.

Not a future threat but a current reality

The UK is also helping the poorest in Bangladesh to find innovative ways to adapt to the changing environment, for example by farming ducks instead of chickens; switching to crab farming in areas where crops cannot be grown; raising their homes onto large plinths above floodwater level; and, growing vegetables on floating platforms made of water hyacinth.

DOUGLAS ALEXANDER

AS we approach the climate change negotiations in Copenhagen, one thing is clear: for millions of people around the world climate change is not simply a future threat, it is a current reality.

In my role as the United Kingdom's International Development Secretary, I've met people around the world who are living with the consequences of climate change from families in Bangladesh forced to leave their flooded homes, to women in parts of Ethiopia who are walking further each year to collect water for their families.

I said in August that the climate crisis represents one of the greatest threats to poverty reduction. Climate change is already affecting Bangladesh, with devastating impact. If sea levels rise by just one metre, a fifth of Bangladesh could disappear under water, forcing 30 million people from their homes. By 2050, 70 million people could be affected annually by floods and 8 million by drought, with increasingly intense cyclones hitting the coast. It is a bleak picture.

These people are the least responsible for climate change, yet they are already most affected by it. As we look to the future it is clear that climate change will increasingly hit poor people hardest.

By 2020, some countries across Africa could see the yields from rain-fed agriculture fall by a half. By 2035, parts of the Himalayan glaciers, which provide water to 1.5 billion people across Asia, could have disappeared.

Climate change threatens to make poverty the future for millions of people. That is why the government of the United Kingdom believes that the world has not only a common interest, but also a moral responsibility to people in the most vulnerable countries, to secure a fair deal on climate change.

To keep global temperature rises below 2 degrees centigrade will mean nothing less than a 50 per cent reduction in global emissions by 2050, compared to 1990 levels. This will require a firm commitment from rich nations to significant cuts in emissions for developed countries do bear the greatest responsibility for the emissions we have

seen over the past century. A deal will also need to involve developing countries because the greatest growth in emissions over coming decades will be in such countries.

At the same time we must agree a strong deal on climate finance, to help developing countries both adapt to the now-inevitable effects of climate change, and get their economies on a low-carbon path to growth.

The British Prime Minister, Gordon Brown, has led the way in calling for around \$100 billion per year by 2020 drawn from a combination of public finance and carbon markets - to help developing countries develop clean energy, adapt to the effects of climate change and protect forests.

Some of this climate finance can legitimately come from official development assistance, where investment helps to both fight poverty and tackle climate change. But a ceiling should be placed on the proportion of development assistance that goes towards climate funding.

Without such a commitment, there is a risk that governments will divert a large proportion of aid budgets to fulfil their commitments on climate change, diverting money away from healthcare, education and humanitarian assistance. We cannot allow a choice to exist between fighting poverty and tackling climate change, and that is why the UK has set a limit of up to ten per cent of development assistance that can be invested in climate funding.

Our support is already helping communities to tackle climate change and lift themselves out of poverty. For instance, as the largest bilateral donor to Bangladesh,

the UK has committed £60 million to help more than 15 million Bangladeshis living in extreme poverty to adapt to the impacts of climate change. This money will be spent to build new embankments and shelters, improve the early warning systems for floods and cyclones, promote crops that can withstand inundation, drought or high salinity, build community level preparedness for natural disasters, and provide safe drinking water and sanitation.

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In the run-up to the Copenhagen meetings we have also provided support to ensure that developing countries have a strong, coherent voice at the table. The UK has been supporting Bangladesh climate negotiators to prepare for, and participate in, the UN climate negotiation meetings to achieve a deal which is ambitious and equitable. When I visited the country in August this year, I also urged the Prime Minister, Sheikh Hasina Wazed, to make the case for more support on the international stage. The next few weeks represent not a window of opportunity, but a window of necessity in our efforts to strike a climate deal to protect the lives and livelihoods of this and future generations.

Douglas Alexander is the UK Secretary of State for International Development.