

A preventable disaster

True, mass tragedy is a part of Bangladesh life. Unfortunately as the scale of tragedies -- both man-made and natural -- increased during the last seven years, so did our apathy, both before and after the accidents on the highways, fire incidents in factories and launch disasters in the river routes. They were mostly all preventable.

MD. ASADULLAH KHAN

IN a country that stumbles upon calamity, mostly man-made, with unerring regularity and embraces disaster with disturbing stoicism, death's sting has long been blunted. For

disaster-prone Bangladesh, the blows came in quick succession. MV Coco-4, carrying about 2,500 passengers on board -- almost three times its carrying capacity -- capsized in the Tentulia river near Bhola. The death toll was 87 at the last count. The most poignant part of the tragedy is that efforts to drag the launch from the bed of the river in this lean winter season, when the river was not flowing in full fury, failed even after several days of trying.

Before the nation could recover from the shock and grief of the tragedy at Bhola, a trawler-launch collision tragedy place in the Daira river at Kishoreganj district, killing 47.

It has become spectacularly evident that human factors, like indifference and greed of launch owners, the incompetence of launch drivers and tendency to flout navigational rules have heightened the scale of tragedies. People might recall the tragic account given by the survivors of the launch MV Raipura that sank in 2005 near Aricha ghat. It was learnt that the master driver of the launch was not on the launch on that fateful night and his assistant was operating the launch.

In the case of MV Coco-4 tragedy, several factors like overloading, boarding of passengers from unauthorised places, alteration of the crew members over fares at Nazirpur terminal, and subse-

quent closure of the exit gate by the crew members created panic among the passengers. In the melee, as the passengers tried to get off over the side of a launch, it lost equilibrium and sank. The fact that has now been revealed is that Coco-4 was plying in spite of the directive for putting a solid ballast weighing about 8 tons in the lower part of the vessel for maintaining balance.

Launch disasters are not anything new in this country, especially in the Chandpur, Barisal, Patuakhali and Bhola routes in the monsoon season. People still recall with shock the painful memories of MV Salahuddin-2 that was heading towards Patuakhali and sank in the river Meghna on May 3, 2002, and took a toll of about 363 lives. People could hardly get over the shock and trauma of this tragedy when another launch disaster in the river Baleshwar claimed 100 lives. Tragically, during the last one decade, about 10,000 people met a watery death for no fault of theirs and for reasons that could be attributed to faulty design of the vessels and overloading.

With sophistication and innovation in vessel construction hard to come by, the riverine districts in the country weathered disaster one after disaster, and hundreds of people died in the most shocking and painful manner.

Sadly true, despite the fact that the country lurched from one catastrophe to another in the last seven years, all these deaths and disasters could neither sensitise the past government nor even jolt the present administration to action. The problem is not of resources, but of leadership, motivation and political will. And

because these are appallingly missing, the country has been gripped by disasters one after another.

All these disasters, which have almost become an annual event, reinforce our belief that there is something awfully wrong in the whole system of administration in the country, especially in the inland water transportation sector. Sadly, while some 10,000 people met watery graves in the last decade, and the past governments as a routine work formed probe committees one after another, precious little was done in this sector. Knowing how the bureaucracy in this country looks after itself, it is not surprising that those who let people down have not only not been punished but have also kept their jobs.

The ministry concerned and its most important wing BIWTA have unmistakably failed to check the river fitness of the launches plying across the waterways of the southern part of the country that assume monstrous shape during monsoon season. Shockingly, the officials concerned in the inland water transportation sector have been totally indifferent to the anarchy prevailing in the river transport sector.

There are reports galore that surveyors are issuing vessel fitness certificates in exchange of kickbacks. Sadly true, law enforcement agency and officials in the BIWTA closed their eyes to the carrying capacity of the vessels, defects in the construction of the vessels, and placement of solid ballast in the lower part of the vessel. Whatever the cost factor, no launch should be allowed to cruise mighty rivers like the Padma, Jamuna or Meghna without the number of buoys tallying with the number of passengers on board.

Reports say that at present about 8,500 river vessels are plying on the waters of the country with fake fitness certificates, but the number of vessels now plying far outnumber those recorded in the register. Moreover, it is now known that fitness certificates are issued by two surveyors only, although the number approved by the ministry is 16.

Undeniably true, riverine vessels are

now death traps. The killer vessels plying across the water routes, operated by callous and untrained drivers, account for more deaths than any other cause. Admittedly, it is the total flouting of navigational regulations, lack of operational skill and recklessness of drivers that lead to watery graves. The lack of fear is directly linked to weak laws and lack of deterrents. In reality, driving license for river transports is like a license to kill.

With rescue work coming to a halt and programs for innovation and improvement plagued by familiar inefficiency and callousness, the shipping minister will need all the political and administrative acumen to extricate himself from the fallout of the two recent disasters. He will have to dispel an impression that he is not the most suitable man for this exacting job. The people's concern is otherwise. They want to know if he can work as a relentless crusader against the sloth and corruption that bedevil the IWTA sector.

In popular perception all these disasters during the last decade are being blamed on the government's indulgence to unscrupulous vessel builders as well as sarengs' lack of skill and over-riding nonchalance to navigational rules. Undoubtedly true, safety norms for river navigation have been compromised.

In view of the colossal loss of human lives and alarming frequency of disasters the present government, making a salient departure from past practices, must without further delay enforce mandatory provision of marine and passenger insurance before floating a vessel on the river. The measure will automatically discourage extra loading of passengers and unhealthy competition in the form of syndicates in the river routes.

It has been pointed out by the chief engineer of BIWTA that vessels measuring 35 m to 42 m in length should never be three storied as it leads to imbalance of the vessel because of the incompatibility with upper load vs shorter length at the bottom of the vessel as well as non-submersibility of the vessel body.

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Official apathy is the reason for this.

scale of tragedies -- both man-made and natural -- increased during the last seven years, so did our apathy, both before and after the accidents on the highways, fire incidents in factories and launch disasters in the river routes. They were mostly all preventable. Yet, we never learned our lessons. In any case, we were inured to the sight of human suffering and death and so cyclones, floods and all forms of disasters diminished and devastated us in their power and fury.

Ever since the present shipping minister took office and launch disasters claimed hundreds of lives, he has been making noises about his intention of putting safer launches in the river routes and bringing those found guilty in the river transportation sector to book for violation of safety norms. But with hundreds of people meeting a watery grave even in the non-monsoon season, there is little hope that he can rise to the expectation of the people.

Most launch owners are primarily politi-

cians and then businessmen, and they hold substantial clout in the politics of the country. And in the corridors where politics is played, the shipping minister would rather not walk. Officials in the shipping ministry have been talking about procuring salvage vessels that are most modern and technically advanced. Evidently, those ships would be needed after a vessel has sunk. But saving lives before the accident or disaster is crucial and must take precedence over anything else.

People are inclined to believe that all these accidents have taken place because of shoddy construction and faulty design of vessels, and corrupt practices resorted to by a section of the officials and launch owners. The question that necessarily strikes the public mind is: shouldn't someone be trying to punish the officials and vessel owners who closed their eyes to what was going on?

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Replacing dollar as reserve currency

Zhou recommended replacing the IRC function of the dollar with Special Drawing Rights (SDRs), a composite currency -- an international reserve asset -- created by the IMF in 1969. Others, including the Nobel Laureate economist Joseph Stiglitz and a UN panel of experts, have also favoured the idea.

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THE international reserve currency (IRC) of preference is the US dollar. By an IMF estimate, 64% of the world's reserves are held in dollars, followed by 26.5% in euro, 4.1% in British pound, 3.3% in Japanese yen, and all others 2.1%.

However, the sustained downward drift of the dollar against six other strong currencies since it peaked at 89.11 on March 5 has become a concern. On November 25, for example, the dollar index had slipped to 74.23 -- its lowest point in more than a year. The weakening dollar, nonetheless, is making US exports more competitive and imports more expensive to the glee of American manufacturers. Tourists from across the Atlantic are also cheering while shopping

in America's malls.

China, Russia, Japan, India, among others, who're holding massive dollar reserves are concerned about huge losses if the U.S. bailout and stimulus packages, burgeoning budget deficits (projected to reach 13.5 % of GDP this year) and of course, the issuance of 1.3 trillions dollars of additional currency by the US Fed generate high inflation and eventual dollar devaluation.

In a March 24 article, Zhou Xiaochuan, governor of China's central bank has floated the idea of creating a super-sovereign IRC -- one that is "disconnected from individual national currencies and is able to remain stable in the long run, thus removing the inherent deficiencies caused by using credit-based national currencies."

Zhou recommended replacing the IRC

function of the dollar with Special Drawing Rights (SDRs), a composite currency -- an international reserve asset -- created by the IMF in 1969. Others, including the Nobel Laureate economist Joseph Stiglitz and a UN panel of experts, have also favoured the idea.

Today's build up of dollar reserves by many countries is a repeat of what happened for 15 years into the operations of the Breton Wood fixed exchange rate (BWS). Reserve currencies were stockpiled in the process of limiting the appreciation of domestic currencies from continued trade surpluses and foreign financial inflows. These reserves then acted as shock-absorbers, restraining short-term disruptive shocks of unexpected trade shortfalls and transitory outflows of forex. Countries lacking such reserves either had to let their currencies depreciate or resort to contractionary monetary policies which, at times, were inconsistent with domestic price stability and output growth.

Pessimism with the dollar and appeal for the SDRs isn't new. Just like today, countries with stockpiles of dollar reserves became concerned about incurring heavy losses from potential dollar devaluation. Then, it was France which sought to replace the dollar with an IRC

unrelated to a single national currency.

The IMF then came up with the SDR -- defined as equivalent to 0.888671 grams of fine gold which, at the time, was also equivalent to one U.S. dollar. To begin with, the IMF issued 9.3 billion SDRs between 1970 and 1972 and apportioned them to member countries in proportion to their IMF quotas.

After the collapse of the BWS in March 1973, major developed countries adopted the floating exchange rate (FXR) system -- letting their currencies float against the dollar -- ending the expediency of building dollar reserves. The IMF then redefined the SDR as a weighted average of the US dollar (0.44), the euro (0.34), the British pound (0.11), and the Japanese yen (0.11). The SDR is calculated as the sum of specific amounts of the four currencies valued in US dollars.

In practice, the SDR is neither a currency nor a claim on the IMF. Rather, it's a potential claim on the freely usable currencies of IMF members. Although the SDR exhibited more stability vis-à-vis other currencies than the dollar, thus exposing a country's reserves with less XR valuation risk, the SDR hardly got off the ground as IRC.

In a bid to revivify the SRD, the IMF made a second allocation of 21.4 billion between 1979 and 1981, which again

failed to impress any country as IRC since, by then, the developed countries had already settled down with the FXRs as the standard. The SDR primarily performed the function of unit of account in the IMF book.

Why does the dollar continue to reign? Global trades of good and services among countries are typically priced and paid in dollars -- including many financial instruments. Invoicing them in a single currency helps producers easily adjust their prices in line with their competitors and facilitates price comparisons across the different producers.

Even in goods where pure price competition isn't vital for trade, home currency is first used to buy dollars, which in turn are used to buy exporters' currencies to consummate the payment. The dollar, despite substantial fluctuations over the years, has maintained this role conveniently and at substantial cost savings to all concerned. In short, a strong and open US economy and the financial system helped facilitate the dollar's international use.

A 2007 survey indicated that nearly \$3.2 trillion worth of forex trades changed hands each day, and 86% of those transactions involved dollars. These traders finance a large portion of their business in dollars, requiring maintaining accounts

in dollars, seeking loans in dollars, and undertaking multitudes of other financial arrangements in dollars.

Leaders of at the G-20 meetings in London revisited the IRC issue and decided to authorise the IMF to increase the SDR allocation from its previous level of 21.7 billion to 204.1 billion by September 9, 2009. Professor Stiglitz hailed it as a "major step" towards establishing the SDR as an IRC.

But, replacing the dollar with the SDR as the key IRC isn't happening any time soon -- not until the SDR matches the myriad of benefits people across national boundaries have been reaping for years. Besides, a large number of countries and people must make the switch to SDR in concert. Meanwhile, the countries that are concerned about their exposure to credit-based reserve currencies, like the dollar, might simply allow their currencies to appreciate.

If, one day, the SDR establishes itself as the IRC, "the dollar would live on in an SDR-dominated world. It would no longer reign supreme, but neither would the yen or the euro or the yuan, which might be the best long-run outcome the US can hope for (Time, April 9)."

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Afghanistan: Terrorism is everybody's problem

Afghanistan is now being called Obama's war, but unless the entire international community realises that this conflict is a global problem, it may be very difficult to bring even a semblance of normalcy to this troubled region.

EDITORIAL DESK, The China Post

THE United States has been criticised over the years for acting as if it were the world's policeman. US has had a mixed experience with nation-building or rebuilding. The Marshall Plan and subsequent reconstruction efforts in Germany and other parts of Europe after World War II is credited by many as saving Europe from a decent into anarchy. But after years of success on the battlefield, hubris set in and the US was forced to learn a very costly lesson about trying to remake nations in the quagmire of the Vietnam War.

Looking back at the first Persian Gulf War, many today credit the first president Bush with foresight for understanding the limitations of US military power and not invading Iraq after the liberation of Kuwait. In trying to strike a balance between saving the world and not overtaxing the country, former US president Bill Clinton chose to intervene in one European conflict and refrain from interfering in an African one.

Today, there is a three-metre gold statue of Bill Clinton in the newly independent Republic of Kosovo, while Clinton himself has admitted that his failure to act in Rwanda was possibly one of the worst decisions of his entire presi-

dency. Many Americans believe that former US president George W. Bush had no choice but to order troops into Afghanistan. Led by the Taliban totalitarian regime, which imposed a perverted version of strict Islamic law on its people, this failed state also willingly harboured terrorists who had directly attacked US, killing some 3,000 innocent civilians on one terrible morning.

Former president Bush's decision to send troops into Iraq, however, will likely go down in the history books as one of the worst policy decisions by a US president. In short, it's hard to get foreign wars that involve nation-building right.

Today, US President Barack Obama is winding down operations in Iraq while quite possibly boosting troop levels in Afghanistan. Afghanistan is now being called Obama's war, but unless the entire international community realises that this conflict is a global problem, it may be very difficult to bring even a semblance of normalcy to this troubled region.

For those of us in Taiwan, accustomed to the strict confines of an island nation, the idea of a porous border is a little hard to fathom. There is no place where Pakistan ends and Afghanistan begins, except on paper.

For its part, Afghanistan has not had a stable government of any kind for decades. To be fair to the US, if any nation could be blamed for the current situation in Afghanistan it's the former USSR. The Soviet Union invaded Afghanistan in 1979, destroyed much of the nation's functioning infrastructure and activated tribal militias, laying the framework for today's crisis. US isn't blameless, however, having supplied the anti-Soviet rebels with weapons, and when the conflict was over, unfortunately forgot about the people and those weapons.

Osama bin Laden is a direct descendant of these terrible decisions.

For all the chaos in Iraq, that nation was still one that had a solid basic infrastructure. Iraq had running water, sewage and sanitation facilities, hospitals, roads

and an educated population. Much of this was destroyed or damaged in the Iraq war. But because the framework exists, reconstruction was a much easier undertaking. Afghanistan has none of the above.

Nations all around the world are watching the US's battle for Afghanistan. Some continue to accuse the US of imperialism. Others criticise the methodology. But few, aside from Great Britain, have actually done anything to contribute. The world needs to understand that the extremists in the Afghan-Pakistan area constitute one of the biggest heads on the terrorist Hydra. Cutting off this head would result in a serious blow to other fanatics in places such as India, Thailand, the Philippines and even China.

US and a few allies have been fighting there for over eight years. The American public has no more energy for an expensive conflict, especially if it seems endless. Obama seems less inclined to invoke the "with-us-or-against-us" demand made by his predecessor, but a consensus seems to be

growing that the rest of the world needs step up to the plate.

Obama's political team may have stopped using the term "war on terror," but the reality is US military is trying to defeat Islamic extremists that are overwhelmingly responsible for inspiring the sorrow and carnage many nations of the world have suffered over the past decade.

China has been singled out for criticism as it has business and commercial interests in Afghanistan and the surrounding area, but is loath to actually join the fight against extremism. For political reasons, it's unlikely that China will be sending any troops anywhere soon, but every nation in the world needs to get in on this fight. Those who can send troops should do so. Others can contribute money or provide other assistance. America isn't perfect, but what's the rest of the world doing to help defeat extremism?

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