

Green growth strategy

In line with a gradual shift towards green growth through investment in the environment as a driver for economic recovery and sustainable growth, job creation and poverty reduction, Bangladesh may also think of adopting a green economy path in order to reduce the burden of future environmental cost.

FAHMIDA KHATUN

SEVERAL economists have been arguing for sustainable economic development which takes care of the natural resources and can ensure intergenerational equity since the 1960s, though it was not until the 1970s that an international environmental policy was thought of at the policy level.

In 1972, a milestone was reached with the Stockholm Conference on the Human Environment, which resulted in the establishment of the United Nations Environment Programme (Unep). During the 1980s two ground breaking reports, "Our Common Future" (1987) and "The Global Possibility" (1985), highlighted issues such as poverty, natural resource degradation and the need to build on common interest of sustaining the world. Thus the environmental issue reappeared in the development discourse.

Throughout the 1990s several reports, including the major ones produced by the Intergovernmental Panel on Climate Change (IPCC), have been warning about the probable negative impacts of climate change. Economists also estimated the cost and benefit of climate change.

The famous Stern Review (2006) on the economics of climate change led by the British economist Nicholas Stern

concluded that 1% of global gross domestic product (GDP) per annum is required to be invested in order to avoid the worst effects of climate change, and that failure to do so could risk global GDP being up to 20% lower than it otherwise might be.

By ignoring such caution countries, particularly the developed and developing ones, followed a development path which is based on the philosophy of accelerating growth by way of burning fossil fuels and emitting carbon. And now, with the resurfacing of food, fuel and financial crisis, the need for changing the pattern of growth is being increasingly recognised across the world.

The sources of economic growth are placing unsustainable pressure on the natural resources base, which in turn is creating long-term burdens on the economy and society. This pattern of economic development is not sustainable as it builds on extraction of natural resources and use of carbon intensive production and consumption system to produce goods and services for the economy.

The renewed effort in these countries to preserve and improve environmental quality in the backdrop of financial crisis has given rise to the adoption of ideology of so-called "Green Growth." This growth is achieving economic

growth and development without environmental degradation, biodiversity loss, and unsustainable natural use. The pattern of green growth relies on investment in the environment as a major driver of economic development as opposed to the presently followed growth pattern.

The recent financial crisis has created opportunities for countries to replace standard capital with cleaner alternatives, for example, stimulus packages to create industries, jobs and skills restructuring. Stimulus packages have been used to make investment in green infrastructure such as public transport, energy efficient public buildings, renewable energy, smart grids, water and sanitation, pollution control, green technology investment and green R&D.

China's stimulus package comprises 40% of its \$568 billion stimulus package. This is the highest green stimulus programme in any country of the world. Korea has invested KRW 50 trillion to create about one million jobs in environmentally friendly fields over the next four years. The country has been implementing a Green New Deal policy since January 2009 as part of its economic recovery package. Japan plans to double its employment to 2.8 million by 2020 in the environmental industries.

In total, France has allocated 21% of its total stimulus package of \$33 billion for undertaking green measures. Over a period of three years (2009-11) it aims to create 80,000 to 110,000 jobs. Australia, Belgium, Canada, Czech Republic, Denmark, EC, Estonia, Finland, Germany, Israel, Italy, Mexico, the Netherlands, Norway, Poland, Portugal, Russia, Slovenia, Spain, Sweden,

Switzerland, UK and USA, among others, have followed suit.

Fiscal measures such as tax incentives to firms and households to make green investments in energy efficient appliances are also being provided in several countries. Collection of green taxes by way of putting a price on pollution has been practiced in several countries. In order to attract the private sector for green investment Germany is going to introduce a new carbon dioxide component in automobile taxation, Denmark is going for a comprehensive tax reform which will reduce taxes on wages and increase taxes on pollution and energy consumption while in the UK public finances will be supported by increases in fuel duty and landfill tax.

However, one of the most harmful as well as debated issue is the subsidy on fossil fuels. It has been estimated that the removal of fossil fuel subsidies will not only reduce global Greenhouse Gas (GHG) emission by 10% by 2050 but also increase the efficiency of these economies.

Ironically, while the above mentioned countries have taken measures towards green growth, some of their initiatives also have counter-productive environmental impacts. Some of these include finance and support to automobile industry, reduced charges for gas use for low income households, temporary suspension of highway toll increase, freezing fuel prices, reducing LP gas prices by 10%, reducing commercial and industrial electricity tariffs by up to 20%, credit lines to support exports from the automobile industry, fashion industries and cork industry, and support to the agriculture sector.

Though poor countries are minor contributors to global carbon emission and climate change it is now well established that low lying poor countries, such as Bangladesh, will be the worst victims of climate change. Given the massive and widespread nature of the impact there should be parallel initiatives domestically, mostly in terms of strategising, planning and designing efforts to combat the negative impact of climate change and also in allocating resources for the cause.

In line with a gradual shift towards green growth through investment in the environment as a driver for economic recovery and sustainable growth, job creation and poverty reduction, Bangladesh may also think of adopting a green economy path in order to reduce the burden of future environmental cost. There can be a number of areas for intervention to adopt a green growth policy in the context of Bangladesh.

A few sectors for investment may be green infrastructure such as energy efficient buildings; green energy generation, such as solar energy; energy saving measures for housing; water management, water desalination, treatment of wastewater, solid waste infrastructure to support, clean water; secure alternative water sources, such as rain water; coastal area development and management; reforestation; environment related R&D; public transport, railways, foot and bike paths.

Fiscal measures may include tax incentives for investments on energy efficient building; support for energy efficient bulbs; fiscal benefits for installation of solar panels in private buildings; low interest rate for loans to support low carbon technologies; tax rebate



We have lost reverence for nature.

For environmentally friendly cars; measures to increase energy efficiency in industry and agriculture; allocation for protected areas and cultural heritage; support for environmental research and development.

In addition to the market and price-based policies to achieve environment friendly growth through addressing the environmental issues, institutional measures are also of crucial importance. The strategy of green growth requires not only resources for adapting to or mitigating the impact of climate change but also to sustain the effort of following the path through increased investment, appropriate fiscal measures and favourable policy support for a long-term development.

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Incumbency factor and the 'dos'

It is a tradition in developing countries for people to quickly become disillusioned with every government they elect, because expectations are high and the government's capabilities are, to a large extent, countervailed by the various forces and lobbies that fester within the organisation -- a kind of supra government. Therefore, in most of these elections, the incumbency factor kicks-in. But exceptions like the recent Bihar elections in India are beginning to happen, and have shown what even a slight improvement in governance is able to achieve.

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THE last two years of the Awami League government have been a government of hopes and dashed expectations. It is true that no one takes the apothecary netri seriously when she heaps ludicrous allegations like economic stagnation and "selling" of the country to a "foreign power" upon the incumbent government. But when she talks about the rent seeking of the student and the youth wings of the Awami League, inability of the government to control the price of essentials, the stagnation in the ministries, she will certainly come across some consenting nods. That too, from people who have not been known to be admirers of the BNP.

It would be rash to dismiss these consenters as anti-Awami League. Some have always been silently with the Awami League and are not coming out in open condemnation lest it hurts this government, but they are unhappy with the arrogance that has characterised it.

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ernment. Therefore, in most of these elections, the incumbency factor kicks-in. But exceptions like the recent Bihar elections in India are beginning to happen, and have shown what even a slight improvement in governance is able to achieve.

Today's voters are not all emotion. They will certainly speak their minds through the polls, and it will be a report-card of what the government was able to achieve in its five years. In order that all the gains that the AL has made for the country are not reversed when the next government comes in, it may be wise for the party to take steps in the following areas.

Corruption: This cabinet can boast of being the cleanest since 1972. Corruption has been an integral part of the society in any poor country, and it would be impractical to wish it away. If we are just able to limit it to a tolerable level over the next 3 years we will have done a fine job. Let us not worry about stopping corruption at the paan-biri shop level. If the economy continues to grow at 7% to 8% over the next decade, corruption will face resistance that the system itself will generate.

Fortunately, the voter registration card has laid the first brick for revolutionary changes, including reduction of corruption,

and the government could take advantage of that. Stopping ministerial scale corruption in the next three years will give this government an image that no other government has achieved since independence.

Food situation: Unfortunately, the government is being held hostage by the syndicates when it comes to controlling prices of essentials. It will be doing itself a favour if it does not fall into the trap of false assurances given by the trading community. It should also do two things that essentially go against the vein of free enterprise, but if it wants to ensure basic necessities to the poor, as has been promised in the manifesto, there is no other option.

This is easily achievable because Bangladesh is no longer in a desperate foreign exchange situation. It should recast and revive the TCB as a procurement office supplying to a string of ration shops in the major population centres, which will sell four basic food commodities and act as a backup for private food shops and bazaars.

Bureaucracy: There is some truth when the government complains that the bureaucracy has put stumbling blocks in the way of many efforts it has made and which had necessitated the large-scale promotions

announced recently. However, the instinctive tendency of the bureaucracy is to erect impediments and create complications in order to consolidate their own power, and the new breed of promotees cannot be expected to behave much differently. Therefore, they must be given a clear message about the consequences of foot-dragging over an order already cleared by the government, and their performance will have to be measured every six months.

Guaranteed work: There is still time left to implement this election pledge and score points. For the first few years the project may be riddled by corruption but, if checked at the higher levels, it cannot become debilitating. It can be turned into a fairly corruption-free tool if the MPs are kept out of the process because the upazilla chairman is at least answerable to his people.

The new recruits can be given temporary assignments as volunteers for doing a myriad of jobs (for instance ten thousand people could be employed in Dhaka as a traffic brigade for issuing traffic violation tickets). As a bonus, the traffic situation will also improve considerably when people know that they will have to pay heavily for violations.

Power: The gap between demand and power generation will never be bridged. As soon as generation capacity is increased, new demands will outpace generation. The government should set up an effective information mechanism to let the public know how effectively it is tackling the situation.

Syndicates: It seems as if the government is being held at gunpoint by various syndicates. Syndicates are not always a special group entrenched over a few generations. Even the stu-

dent and youth wings of the party seem to be able to hold the government hostage. If the government acts with strong resolve for the public good and disbands just one of these lobbies, it will find out how easily lobbies can melt away.

Fundamentalism: Anyone who argues that fundamentalism is not a threat to Bangladesh needs only to look at Pakistan. The near meltdown of that country today is the direct result of the Islamisation process started in 1977 by Ziaul Haque. The Sharif and Bhutto governments were too scared to do anything while Musharraf was as sympathetic as Ziaa was. And it was not the mushroom growth of madrassas alone, it was also the introduction in their school textbooks of a hate content and superiority content, and unnecessary emphasis on religion.

Twenty years later, the youth who strap grenades to their bodies and blow themselves up draw their inspiration from the message of intolerance that these textbooks preach. School curriculum should be modified to teach human rights as well as the tolerance of other ethnicities and religions, and must have content which talks about the synergetic characteristic of Bangladesh.

Local government elections: Despite suffering a few reverses here and there, elections in the local governments will be beneficial to the AL. They should be held as it will strengthen democratic institutions.

The opposition: The government should permit them to vent out their angst in the next couple of days and pretty soon their harlots will sputter into oblivion as they really do not have an issue that will fire public indignation and anger.

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The jet lag diary

"AIRLINE traffic rises as business travellers return to the skies," a news report said. It's true. Despite all our pleadings on behalf of the environment, thousands of business people are once more being assigned to take long journeys for short meetings.

I'm writing this from a hotel, where I have just arrived on a business trip after a day's flying. Today, I am going to share some notes from my personal diary.

Morning: Fly from Asia to Europe.
Evening: Met by host, who takes me to a sausage stall for a snack.
My watch says midnight: I'm asleep on my feet.
But my host looks at her watch. For her, it's 7 pm. Time for my first gig. She throws me on stage where 300 people are waiting for me to be at my sparkling, witty best. I fail to be. No one seems to notice.
Later, I doze in the dressing room.
My watch says 2 am.

My host's watch says 9 pm.
"Time for the next show," she says. She flings me back onto the stage.

I don't remember what happened next, but I probably said something, because an hour or so later, the audience applauded, waking me up.

By now I'm so tired that every time I blink, I actually fall into a deep sleep for 0.7 of a second. In this rather episodic dream I am naked in a sausage market. As I'm wheeled to the sausage-slicing machine, I wake up sweating.

After my third gig, my watch says 6.30 am. I look like Keith Richards warmed up. I search for somewhere to sleep. The ground is starting to look really welcoming.

My hostess says: "You can't go to sleep now. You have to have an after-show drink with the organiser. It's very important."

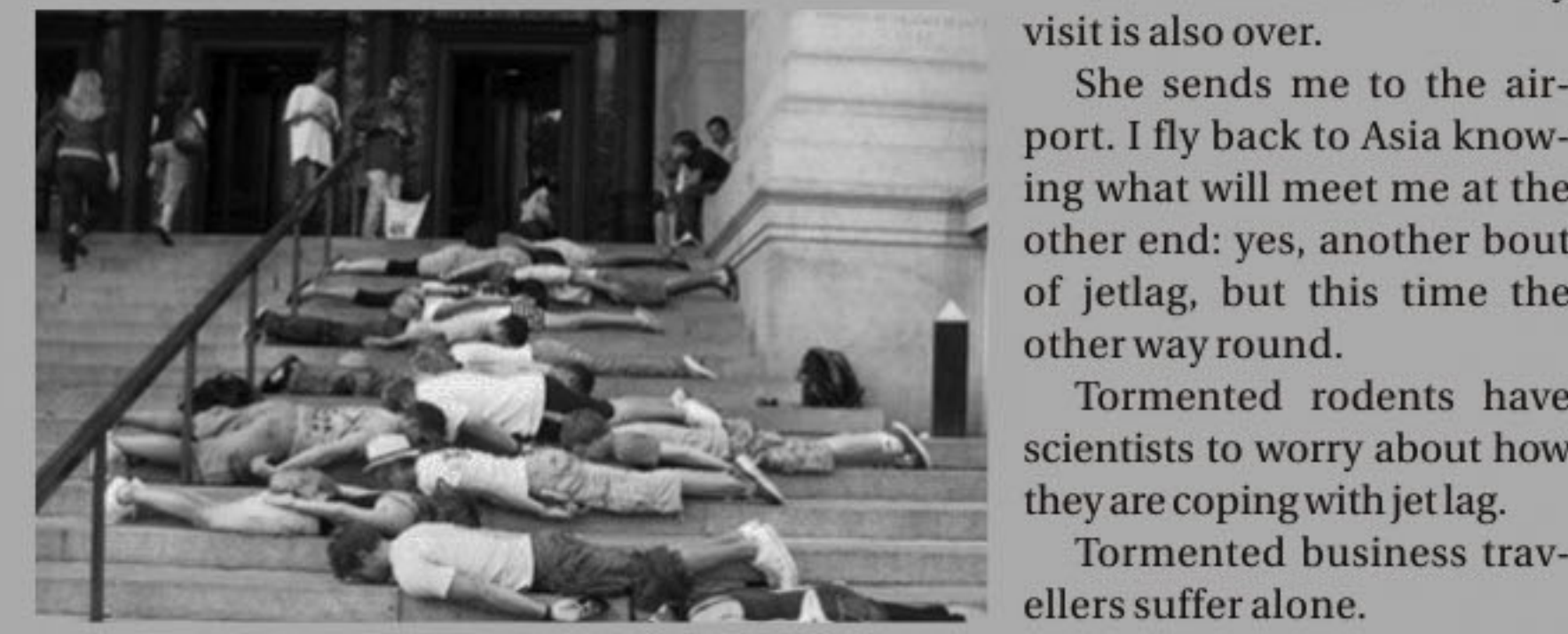
So I go drink with the organiser. Did you know that a person can sit in a bar with his eyes open while having a lucid dream involving a flight attendant and a sausage-slicer? To my companions, I was perfectly normal, expect for the swaying, the mumbling and the regular bloodcurdling screams, which they were polite enough to ignore.

An hour later, I finally get back to the hotel and fling myself onto my bed. That's when my alarm clock goes off. It's morning in Asia. My body and brain revive.

So instead of sleeping, I look up "jet lag" on Google News. "Frequent Jet Lag kills Mice," says the headline of a new study by Finland's National Institute for Health and Welfare. It doesn't say how the mice came to have jet lag, but I assume they were some sort of rodent business travellers.

Anyway, the next 24 hours were an almost exact repeat of the first.

The third day was different. I finally switched to European time. "Hooray: my jet lag is over," I tell my hostess.



She reminds me that my visit is also over.

She sends me to the airport. I fly back to Asia knowing what will meet me at the other end: yes, another bout of jetlag, but this time the other way round.

Tormented rodents have scientists to worry about how they are coping with jetlag.

Tormented business travellers suffer alone.