

# The supply-demand state of our energy policy

## Feuding in BCL, again

### *Demands high level intervention*

THE internecine conflict within Bangladesh Chhatra League (BCL) faction seems to surface intermittently. Earlier, when such intra-organisational clashes took a nasty turn leading to sporadic eruption of violence on different university campuses, those prompted a flurry of action among the top leadership of the ruling Awami League. Even the prime minister and Awami League president Sheikh Hasina would issue serious warnings to the student body to behave followed by expulsions at different levels of its leadership.

The directives from Sheikh Hasina would result in a temporary lull. Some probe bodies, too, were formed. Few of those came up with any concrete results and neither did those leave any impact on the behaviour of BCL.

In reality, the measures taken by the ruling party to discipline the student body basically failed to remove the root cause of the factional feuds within it that had largely to do with tender and admission business. It is worthwhile to mention here that the administrative building of the university itself and some government departments are potential sources of this tender business.

In the latest outbreak of violence at the Mohsin Hall of DU, which caused injury to around 70 students, circumstances point to that direction.

Alarmingly, in most of these turf wars within BCL, lethal weapons including firearms are being used with abandon. That should provide enough reason for the ruling Awami League not to look at BCL feuds purely from the angle of organisational discipline but beyond it reflecting on the credibility of the government. It is a serious law and order issue as well and deserves to be dealt with accordingly.

We expect that the probe body formed by the DU authority to look into the incident would be able to find out the real causes of Tuesday's campus violence and home in on the culprits behind it. At this point, we would also like to emphasise that the answer to the problem of internal feud in BCL demands more than just these measures. So, we hope that the ruling party will intervene in the matter to solve the festering issue before it deteriorates any further.

## Pending railway projects

### *Upgrade Dhaka-Chittagong route*

THE importance of railway communications between Dhaka-Chittagong needs hardly any elaboration. But three major projects launched, four to five years ago to modernize the Dhaka-Chittagong rail link, hardly moved forward. The projects are: Tongi-Bhairab bazaar double line, Laksam-Chinkai Astana double line and Akhaura-Laksam double line.

The ambitious plan includes, upgrading the 196-kilometer single track of the 320-kilometer route to double track, rehabilitating the existing tracks, improving signaling system and modernizing the stations.

The projects undoubtedly touch all areas that need to be improved to establish a better communications facility between the two important cities. Especially the plan to introduce double-line track replacing the current single-line track is a pragmatic decision. Single-line tracks have long been a hindrance to smooth running of trains resulting in delays of arrival and departure of passenger and cargo trains and also causing accidents along the track and even at stations.

The government and its funding agency the Asian Development Bank have to coordinate more to execute the projects. Although the ADB gave a 100 million dollar, half of the total estimated cost of the project, as loan for the project in April 2007, the money remains unused. This delay has pushed up the project cost by Tk.250 crore.

A long time elapsed since the tendering process and technical evaluation started in December 2007 but abandoned in September 2009. A fresh tender was floated in April 2010 and awaiting decision of the concerned.

We like to point out that such essential projects should have received utmost consideration of the parties involved in implementing them. The government should in all earnest speed up the work process and get on with development work without any further delay.

Belated actions not only push up the cost of projects it also delay advancement of a vital communications link causing considerable loss to commuters and businesses.

ABDULLAH SHIBLI

IN a recent article in this newspaper, Mr. Shamsul Islam justifiably complains about our lack of an energy policy ("Strategy for More Electricity," DS, April 5). Two recent events, the turmoil in the oil market partially fanned by the political turmoil in several Middle Eastern countries, and the disaster at the Japanese nuclear plant have given Mr. Islam's pleas for a fresh look at our energy policy a special urgency.

For Bangladesh, the first event means that we need to seriously debate in Jatiyo Sangsad the risks posed by our dependence on imported oil both for transportation as well as electricity generation, and its impact on our foreign exchange balance. The ongoing and unfolding disaster in Japan obviously raises some important questions about the safety and cost of the nuclear power option. While Bangladesh does not quite face the same level of risk from earthquakes and tsunamis as Japan does, like our big neighbour India, we need to keep all options on the table while we figure out the costs, our funding sources, and the safety of our nuclear power plants.

In the face of growing energy demand from various sources -- manufacturing, household consumption, technology, etc. -- we are facing a perennial problem, i.e., how to narrow the gap between supply and demand. Oil prices in the world market have become volatile again with turmoil in the Middle East and the complete shutdown of the Libyan oil fields. In this context, oil importing countries like Bangladesh have to review their energy policy, and be on the lookout for new energy sources and the enabling technology that will allow them to continue on their growth paths in spite of the downward pulls exerted by higher energy costs.

Japan's recent problems with its Fukushima nuclear power plant following the earthquake on March 11 has only provided an additional

dimension to this debate. Can Bangladesh sustain its economic growth in the face of rising energy prices? Can it afford to offer cheap electricity to the masses, which are hungry for more energy as they embrace the electronic revolution and the middle class moves to a higher consumption path with more use of refrigerator, A/C, and other perks of modern life?

The present government has rightly placed the highest importance on the availability of reliable power generating capability to sustain industrial growth and technological progress. We can debate at length issues such as the selection of the right technology, the cost of power of the additional capacity, etc. Be that as it may, we must also ask, what's the next step? Are we going to stumble from one crisis to another every few years and pay the heavy price of inaction over again?

In this context, it is worth taking another look at our sources of energy, oil, gas, coal, nuclear power, and renewables (solar, bio-fuel, and wind). The debate is a familiar one, except now, with the conflict in the Middle East and the natural disaster in Japan in the background, it is important to ask: what can a country like Bangladesh, which is not very well-endowed with fossil fuel (except for low-grade coal) and might find nuclear energy too costly or dangerous, to do in order to meet its growing energy demand?

One area that Bangladesh, like any other country, needs to keep on its radar screen is the twin issues of vital importance in the long term -- energy

efficiency and demand management. With a higher standard of living, we will inevitably see an increase in demand for automobiles, air conditioners, refrigerators, computers, and various other electrical appliances. As the price of these items and the cost of operating them go down (particularly in real terms), other things being held constant, their use will go up per capita.

Experience in other countries shows that managing the demand side of the energy equation is the trickiest part. Bangladesh has one of the lowest consumption of electricity (144 kWh per capita in 2007 as compared with 542 for India), and it is hard to imagine how this cannot but go up both per capita and with a growing demand both from the household as well as the industrial sectors, which is expected to increase by 10% annually. However, there are potentially three serious road bumps that we need to

also take into account: global caps on emissions of greenhouse gas, looming scarcity of fossil fuel, and the strain on our foreign exchange resources. Therefore, one of the biggest challenges for us to tackle is to grow our power generation capacity without contributing to global warming, while fulfilling our commitment to CO2 reduction, and staying within our foreign exchange reserve constraint. Mitigating these negative influences on the supply side is the widely acknowledged availability of important untapped opportunities in renewable energy.

A parallel challenge is to design a price structure that will enable the country to manage the use of electric-

ity in an efficient mix and an equitable distribution. A study by Mr. Ershad Ali shows that rural households indicate a strong preference for using cheaper energy, particularly electricity, for education. Until battery-powered laptops are widely available, use of computers will increase use of electricity both in urban and rural areas.

Finally, I would like to draw attention to two issues that impact the demand for power. First, an artificially lower energy price will inevitably lead to energy waste and substitution of energy for other resources. Subsidy provided to energy users, which currently varies from 5% to 35%, is a major drain on our budgetary resources. Another less known issue, currently discussed in various circles as the Jevons Paradox, concludes that lower prices may also lead to greater use of energy at the macro level.

According to one analyst, one consequence of low energy prices is "a lunch you are paid to eat," in contrast to a free lunch. For developing countries like Bangladesh, this might also have some unintended consequences such as increased use of air-conditioners in cars, use of washing machines and electrical dryers, central air conditioning in residential buildings, etc. While greater use of these appliances is one of the perks of higher per capita income, an energy poor country might find itself importing both consumer goods as well as power beyond its capability to pay for them.

According to US National Renewable Energy Laboratory, running a car's air-conditioning increases fuel consumption by 20%. For these reasons, economists always are for higher price of energy, or full cost-pricing. While it might be politically damaging in the short-run to raise price of electricity and imported petroleum products, it is important for the price of an input to reflect the true cost of the factors of production.

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# It's a national affront

SYED BADRUL HAQUE

IT is commonly held that the explosion of criminality that we witness today in our society is inextricably linked to poverty or social deprivation. But, much to our amazement, it is not infrequently that the people involved are not easily identifiable underclass at all; they are often people with resources as they do not necessarily impel them to venture into crime adventurism. So the old, comforting alibi that it is all due to social deprivation, such as poverty, poor housing, unemployment, illiteracy, does not explain the phenomenon in a blanket fashion.

It would be indulgent to knock any of them or wholly dismiss the arguments; each may have some truth. Much of that weakening of a sense of community exists also in plusher sections of society, but can more easily disguise itself behind the front doors. Growing imbalance in our social development aside, it arises out of some even more uncomfortable and unpalatable developments in our culture. Add to this the vastly increased public recognition of the shabbiness of public life -- including the frailties of policing ethics -- and you get a potent recipe for cynicism, alienation and despair.

Media reports indicate law and order presently is at the nadir in governance. It would indeed be utterly wrong to assume that the ruling party is impervious to the issue, it lacks wherewithal in terms of strategy or resources. Yet it is something that has to be aggressively protected by the police on behalf of the polity.

The key to any success the police may have is public support and trust. In public perception its image is tainted with commerce and its stock is very low as a result. Its moral

degeneracy is highly reprehensible, and a national concern it surely is. But to get it into perspective, it has to be viewed through the prism of the society and not in isolation, for police are an integral part of the society which embraces us all.

Corruption has admittedly become a way of life in our society and anyone with a stake in the economy is a part of it. There is already a public outrage at the scale of corruption and, to note, Transparency International has emasculated us by ranking us high on the corruption ladder for some years now.

Interference from above remains a sore point, beside the other irritants the police face in the discharge of

staff who will not be called away.

We must not deflect from the fact that the police as the vital law-enforcing agency deservedly claim a high status. Efficient management of staff, sensible use of police time, elimination of corrupt practices and the spreading of best practices are essential. They will continue to attract the best only if they reflect the society in which they operate.

A reforms commission to reorganise the police administration will therefore be much in order. Obviously, once the police are sufficiently geared for their job with policing ethics and proper arms, the general mass of people shall hopefully come out in the open to challenge the

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their day-to-day duties. Serving as a police officer is difficult and dangerous. They put their lives at grave risk when they chase the well-heeled criminals and terrorists with fire arms of olden days. It pains one to see the police on traffic duty inhaling poisonous fumes emanating from motor vehicles. Pressure on the police grows, which means their adopting more intelligence-led methods.

With increasing insecurity, people want to see the visible presence of authority more and more in public spaces. Yet, the limited policemen are regularly called away to process arrests, give evidence, police ports, and for many other duties beyond their normal call. If we are to defeat the anti-social behaviour that blights lives, we need a new, extra tier of patrolling uniform

orthodoxy of fear and face the anti-social elements far more confidently.

Some terrorist groups with political tags operate mainly in the southern part of the country. Lumped together, these terrorist groups masquerading as left political parties are woven into one purposive skein. They go for merciless killing of innocent people and looting their properties. There will be no chance to defend oneself, no warning and there is no reprieve. Thanks to the efficient handling of the law-enforcers terrorism has largely been marginalised.

By pointing out society's abhorrence of terrorism, the media can become an important force in the battle against it. Seminars and conferences that bring together those in the establishment and the media could

be organised to help create a better understanding of the others' concerns which, in turn, should help promote responsible journalism in the coverage of terrorism.

A well-crafted strategy with vision is needed to rein-in the offenders and the approach should be secular. We need to be introspective to realise the magnitude of the issue so as to embrace it in the right perspective instead of being judgemental off-hand. The situation has to be faced nationally across the political divide, shunning the blame-culture that has so infamously distorted our political landscape since long, if the operations are to have a lasting impact.

The ruling party may consider holding a national convention with the mainstream political parties to deliberate on the issue. Furthermore, should it materialise it could even mark the beginning of the end of the trust-deficit of our political culture to which our people have remained privy since long, much to the detriment of the nation's progress. The administration should also prove that the government is not unavoidably corrupt and that bureaucracy is not necessarily ineffective.

Elected on the law and order and anti-corruption platform, these issues cannot be avoided by Awami League anymore. The issue is evidently multi-dimensional -- much beyond notional social parameters -- so it would be utterly wrong to find a single-key solution to this haunting phenomenon, which has become a long-running feature of our society. It should not need saying that the issue needs much more nourishment, a wider and deeper understanding than we have seen so far.

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## THIS DAY IN HISTORY

April 28

- 1920**  
Azerbaijan is added to the Soviet Union.
- 1944**  
World War II: Nine German S-boats attacked US and UK units during Exercise Tiger, the rehearsal for the Normandy landings, killing 946.
- 1945**  
Benito Mussolini and his mistress Clara Petacci are executed by a firing squad consisting of members of the Italian resistance movement.
- 1952**  
Occupied Japan: The United States occupation of Japan ends as the Treaty of San Francisco, ratified September 8, 1951, comes into force.
- 1952**  
The Sino-Japanese Peace Treaty (Treaty of Taipei) is signed in Taipei, Taiwan between Japan and the Republic of China to officially end the Second Sino-Japanese War.
- 1969**  
Charles de Gaulle resigns as President of France.
- 1978**  
President of Afghanistan, Mohammed Daoud Khan, is overthrown and assassinated in a coup led by pro-communist rebels.
- 1986**  
Soviets admit nuclear accident. The Soviet Union acknowledges there has been an accident at the Chernobyl nuclear power plant in the Ukraine.