

Strikes cost country dearly

Hartals paralyse vital sectors

REGRETTABLY, confrontational politics remain at the core of our national culture. Apart from causing human misery, the economy must bear the full brunt of hartals. No sector is left untouched by the onslaught of strikes and blockades. According to the World Bank, the equivalent cost of a day's hartal comes to roughly US\$200 million in lost productivity. Going by our experience of hartals in 2012, we are looking at a loss of an estimated \$2 billion per annum from the GDP.

On a more basic level, hartals and other such agitation programmes cause inflation that hurt the man on the street. When political parties turn a deaf ear to the needs of our students, millions of primary and secondary school going children preparing for major examinations cannot sit for their crucial exams. As we turn towards the productive sector, the largest contributor to our foreign exchange (more than \$20 billion per annum) is hard hit when strikes lock down the country. Although we have not reached critical mass, international buyers are turning increasingly jittery about the ongoing political stalemate coupled with violence and the last thing we need is for a fall in orders due to loss of confidence in Bangladesh.

These are not unknown facts. It is unfortunate that our political leaders, irrespective of party affiliation wholeheartedly embrace violent confrontation rather than exhaust all options to finding a peaceful resolution to the current political gridlock. We shudder to think that personal ego has now transcended above the collective interests of the people and the country.

The population problem

Early marriage and pregnancy must be lowered

DESPITE significant successes in reduced infant and maternal mortality rates, as well as, to an extent, fertility rates, overpopulation remains a key concern in Bangladesh, which has the highest population density in the world and a projected population of 20 crore by the year 2050. Experts claim that early marriage and adolescent pregnancy are major aggravating factors. Eliminating child marriage could reduce the number of annual births by 7.5 lakh.

Four out of five of the world's 580 million adolescents are from developing countries, with Bangladesh ranking the global third in terms of adolescent pregnancy. Despite 18 being the legal age of marriage for women in this country, early marriage is rampant, especially in rural areas, with 17 percent of girls getting married before the age of 15. Most of them have two children by the age of 18. Not only does early marriage raise population statistics, but it also has adverse effects on the participants, especially girls. Their education often comes to a halt, reducing their options for employment along with it and making them dependent on their partners and families. Poor health is a major issue, with 194 out of every 1 lakh women dying during childbirth, most of them adolescents.

Laws prohibiting early marriage must be strictly and diligently enforced. More importantly, through social and media campaigns, people must be made to understand the country's population problem and the risks of early marriage and pregnancy to themselves.

THE BRUNEI TIMES

Syrian conclave

EDITORIAL
THE Geneva II conference, scheduled for November 23, to resolve the intractable Syrian standoff may, like the first summit, end up as an exercise in futility given the boycott call by the hawkish 19 rebel groups fighting against President Bashar al-Assad's regime. A statement from the rebels warned that anyone attending the meet would be committing "treason."

Even as UN-Arab League peace envoy Lakhdar Brahimi arrived in Damascus, after hectic diplomacy in the region, it's highly unlikely that his painstaking efforts in convincing the obstinate regime and the unyielding rebel groups to attend the Geneva conference will fructify. Expressing concern, Brahimi said the country faces chances of "Somalisation" if the warring sides don't relent.

The deepening schism between the rebel groups and the excesses both by the opposition and the government forces and the unceasing violence vitiated the atmosphere. The resulting chaos has brought the country to the brink.

The prevailing anarchy and distrust is such that even the Western-backed Syrian National Coalition opposition group is still vacillating on the Geneva meet. The group is to decide on November 9 whether to participate in the peace conference.

As uncertainty continues over the Syrian future, the suffering and woes of the people are increasing by the day. The humanitarian pleas of rights organisations and aid agencies to provide succour and relief to the multitudes of displaced persons have been falling on deaf ears.

The unrest, which is in its third year, has claimed the lives of over 115,000 people and rendered millions refugees, who are seeking refuge in neighbouring countries and leading miserable lives in makeshift border shelters, with scanty amenities. Though the Syrian regime has agreed for a detailed plan to destroy its chemical stockpiles, it also becomes imperative on its part to create conducive atmosphere to set a dialogue process in motion to resolve things.

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World Bank's projection of GDP growth: Too early to say?

MAHFUZ KABIR

RECENTLY, the World Bank (WB) gave a projected figure of the country's GDP growth in the current fiscal year to be 5.7%. This is a regular exercise of the Bank based on the economic performance of the first quarter, global economic indicators, possible upcoming apprehensions and opportunities, and the trend of major macroeconomic and external sector variables. Growth is one of the most debated and sensitive questions at national policy level and amongst influential international organizations like WB, IMF and ADB.

In early October 2012, IMF predicted the growth in FY 2013 to be 6.1%, while in late October WB said the economy would grow at a rate around 6%, significantly lower than the government's projection of 7.2%, because of ongoing global financial crisis. ADB was a little bit generous in early December by projecting GDP growth to be 6.2%. However, early December was also too early to predict something because a series of violent strikes, unwanted events and shutdowns in the following months were never foreseen and therefore not included in the ADB's projection. What do these numbers mean? They mean nothing but the fact that these mighty players are putting unnecessary pressure on Bangladesh Bureau of Statistics (BBS) to exercise its objective authority in national income accounting process.

True, the country is going through a period of political upheavals and uncertainties. The current fiscal year started with a 'low level equilibrium trap' emanating from lower economic growth than stipulated, low private investment, low aggregate demand and low external sector performance. Nevertheless, economic growth depends on many factors, including political stability, private consumption and investment, exports and performance of the domestic economy. Almost the whole of the last fiscal year suffered from a series of negative incidents in political and economic spheres including credit scam, export downturn in the first half, violent strikes and show-downs, etc. that deterred private investment.

Conversely, the first four months of the current fiscal year witnessed fewer strikes, and the current political crisis is unsustainable in nature considering the recent developments. Thus, it is rationally expected to be over before long through a peaceful transfer of power that would result in a new momentum of the macro- economy. Accordingly, the unstable day-count of the current fiscal year would be much lower than that of the last fiscal year, indicating higher output given the intrinsic strength of our economy developed over time.

Economic growth also critically hinges on implementation of public investment programmes as these include development of critical physical infrastructure that facilitates economic activities and investment. Even though it is an election fiscal year, the rate of ADP spending has been a bit dismal in the first two months (6% of total allocation) compared to that of the last fiscal year (8%) as per the IMED report. The rate of ADP implementation of the top ten ministries was also lower in this period although the first two months are unlikely to predict the expenditure pattern of the next months.

However, the pace of ADP implementation is widely believed to have significant effect on GDP growth, especially through public investment programmes as these facilitate private investment and generate employment, thereby expanding aggregate output. By contrast, spending was 96% in the last fiscal year, which was the highest in the history of Bangladesh, but was unable to assist in

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attaining the targeted growth of 7.2%. It is still too early to say that this two months' expenditure pattern is growth-discouraging.

The external sector has remained quite stable in the last few months. The Rana Plaza tragedy and subsequent GSP suspension could not deter the buyers from increasing orders. Export performance in the first quarter of this fiscal year was quite encouraging; it recorded more than 21% growth compared to that of July-September 2012. However, low business confidence would cause the economy to suffer and restrain further expansion of businesses. This would be the outcome of a combination of complex factors that include low institutional quality, lack of permanent way out of energy crisis, feeble infrastructure and transportation network, and GSP suspension, among others. The US government has given a 15-point list to regain GSP, on which the Bangladesh government is working hard and is likely to succeed before long. Therefore, this is not likely to be a big hurdle in acceleration of economic growth.

Exchange rate has been quite stable so far, but it is at the cost of stressful sterilisation by Bangladesh Bank due to an excessively healthy forex reserve of more than \$17 billion, which is criticised by many. On the other hand, discussion is rising on how to guide the large inflow of foreign remittance into productive channels. This is where the policymakers need to pay greater attention. In fact, it is better to avoid unnecessary consumptive imports as it might be required to finance imports of raw materials and capital machinery in the days to come to achieve the export target.

A potential hurdle is Tk.800 billion plus excess loanable fund in the banking system, but this is due to downward trend of interest rate. This is leading the private sector to look for external credit that offers quite low interest rate and flexible terms.

The other components of monetary policy like targeted growth of broad money and credit are not a barrier as 'credit-driven growth' hypothesis may not prove successful and sustainable; rather it creates destructive bubbles. Our

growth has received considerable admiration by many due to its quality and stability over time.

The WB cautioned about potential inflation in the coming months, which may hurt the economy by reducing growth. Consumer price inflation reveals a downward trend at only 7.13 while non-food inflation was only 5.94 in September 2013; an opposite trend of the last fiscal year. Demand pull inflation has an employment-generating and output-enhancing impact. Given the rate of export growth, low international price, especially of food and petroleum items, and inflow of remittance and high reserve a demand-pull inflation is likely to appear, which would again expand employment and output in the short run. This is expected to have a positive impact on growth, not a harmful one.

In sum, the economic performance of only one quarter and speculations or too many 'ifs and buts' for the rest three quarters should not be a basis for a projection of 5.7% growth. Rather, it should remind the government about the factors that would be harmful for growth through simulations based on likely impact of the factors individually and jointly. Also, projection must be based on the data of a credible time period.

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Prospect of dialogue after telephone conversation

MOAZZEM HOSSAIN

THE turmoil that swept through the nation this week was unnecessary, to say the least. The 60-hour shutdown took 20 lives and scores have been injured, including police and innocent people. While all these incidents have been mind boggling, one, however, caught all eyes. Members of both the opposing forces have been fighting over custody of a corpse. Everyone knows that this person was an ordinary man and had nothing to do with party politics. One wonders if this type of behaviour can ever be seen in any other part of the world? Are we living in the 21st century? The BNP-led alliance certainly learned the lesson that this week's shutdown did not go well with the citizens and was counterproductive for its leader, who had been regaining ground over the last few months.

Khaleda Zia's ultimatum on October 24 to the incumbent was read like this, the PM has to put a clear offer on the table about the election-time government by October 26, or face the consequences, including imposition of a non-stop shutdown. The PM met this demand before October 26 by telephoning and inviting the opposition leader to dinner at her official residence (Gono Bhaban). This is unprecedented in the history of Bangladesh. The PM's proposal for forming an all-party election time government is rare in parliamentary democracies. Unfortunately, Khaleda's shadow kitchen cabinet failed to understand the gesture of the Hasina government and continued with the shutdown, showing no respect even to their own leader's ultimatum which was met before the shutdown starts. Nowadays, even ultimatum is meaningless.

One would remember that whatever was said in the famous 37 minutes phone conversations between the leaders, two issues were nonetheless clear: the PM requested withdrawal of the 60-hour shutdown since she had responded to the opposition leader's ultimatum before it expired, and two, the opposition leader requested an agreement in principle on formation of a non-party CTG to hold the next general election. At the end of the conversation, both the leaders failed to come to an agreement on these issues and the phone conversation produced no immediate results. Apparently, it is not true that

there was no positive outcome of the phone conversation. Indeed, whether we like it or not, the nation heard from the horses' mouth and the citizens can now form an informed opinion about our leaders and their attitudes towards each other. Additionally, it is a step in the right direction to keep contact and to create a cordial environment for a dialogue in the future.

The nation was always expecting the PM as head of the government to take initiative to break the impasse. Indeed, she has made the move and this must continue further with the support of all the parties outside the 14-party alliance. It is also true that the opposition leader seems eager to sit with the PM soon. It appears that she acknowledges that the timing of the phone call was not early enough for withdrawing the shutdown. At one stage of the conversation she said that if the call had come in the morning, there would have been time to meet her alliance members to discuss the PM's request for withdrawal. The opposition leader said that she was ready to talk after the shutdown was over.

Now is the time for the opposition leader to show restraint in adopting a hard-line approach. This is a time to observe what comes out of the PM's dialogue with all other political leaders. If one goes through the phone conversation, there is no doubt that the PM acted as a genuine host to convince the guest to have dinner

with her. In my view, the conversation has opened up a new era of building relations between our two leaders, and the nation felt happy with the PM's gesture and that they are on talking terms again. We feel that this conversation has brightened the prospect of dialogue between the government and the opposition.

It was very encouraging to hear Khaleda Zia requesting Sheikh Hasina to look to the future, and that the nation needed Sheikh Hasina. It is also heartening to hear that the PM wants to hold an election without fear and favour, like other democracies in the world. It is certain, and I have no hesitation in saying so, that we are indeed stepping into a new era in politics.

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LETTERS TO THE EDITOR

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Hartal-enforcers must pay damages

If it is true that political parties pay thugs and goons to destroy vehicles, torch public buses, derail trains and injure people during hartals, then they should also pay the owners of the destroyed vehicles, ensure medicare for the injured people and compensate all those affected by hartals.

Aminur Rahim
New DOHS, Mohakhali

Issues making AL unpopular

The PM arranged meetings in different districts and asked people to vote her party into power again. Did they ever do a simple math of finding the answers to the following questions?

(i) How many votes are they going to lose due to share market and Hall-Mark scam? (ii) How many votes are they going to lose due to failures in regard of Padma bridge? (iii) How many votes will they lose because of installing Rampal power plant? (iv) How many votes will they lose because of abolishing the caretaker government system? Lots of swing voters might be annoyed with this decision. (v) How many votes will they lose because of their attitude towards Professor Yunus and Grameen Bank? I still believe failure to understand the gravity of these factors is making a huge dent in their popularity base.

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Include hermaphrodites in mainstream

We often see hermaphrodites collecting money from different shops beside the road. Though hermaphrodites have no physical or mental disability, our society does not accept them as normal human beings. In Western culture, hermaphrodites get the same facilities as normal human beings get and so they become self-dependent and contribute to their national economy.

However, in our country the way of their income is not fair, but it isn't their fault. If our government establishes a special educational institution for the hermaphrodite population, they would become self-dependant and could contribute to society. We have to change our mindset and attitude towards them.

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Relocating BGMEA building

Every time I pass by this building, I fail to understand how on earth anybody could construct such a structure right in the middle of a water body! This is simply weird. It is interesting to note that many such constructions have been demolished but BGMEA building still exists. The building is going to impede the natural water flow through the city and the whole purpose of the ambitious Hatirjheel-Begunbari project would be jeopardised. The construction of BGMEA building is a clear violation of law. The High Court has already given verdict in favour of demolishing the building. The general mass has also voiced their indignation and expects that the building be demolished. If Rangs building could be knocked down on grounds of irregularities, why not BGMEA building? Hope good sense will prevail and without further dillydallying, the policy makers in the garment sector should, on their own initiative, relocate their building.

Dr. Shamim Ahmed
On e-mail

Comments on news report, "All-party govt by mid-Nov," published on October 29, 2013

Shahin Huq

Why is PM Sheikh Hasina coming up with new formulas one after another? Why is she hesitant to handover power to a neutral caretaker government? Her arrogance and recalcitrant attitude is costing us so many lives and material losses.

Mahboob Hossain

There will be quarrels among the members of the cabinet of the all-party government and hence no election. This is Hasina's deep-rooted conspiracy to remain in power.

Molla A. Latif

Did anyone hear the telephone conversation? If not, then hear it and then pour venom on Sheikh Hasina. It is evident from the talks that Khaleda Zia is not at all a gentle lady and she is not fit to lead a political party, least a country. She was the PM for two terms and we all know her abilities and activities. Now she is all out to destroy the country with Jamaat and so she violated her own word and resorted to anarchy.

"Non-stop Dhaka blockade planned"(October 29, 2013)

Addf

They can do more damage by holding civilians hostages.

Zman7

Stop anarchy and uphold the rule of law at any cost.

Nasirullah Mridha, USA

The situation is going from bad to worse. AL and BNP are turning the country into a hell.

Nds

It seems none other than God Himself can resolve the crisis that has gripped the country.