

# The bread crumbs theory of economic growth

## Law to combat formalin menace

*Implementation must be failsafe*

THOUGH long overdue, the reported government move to frame a stringent law to control production, import and sale of formalin is welcome. Given the intractability of the issue in terms of the chemical's widespread abuse in different food items, prevailing confusions over the efficacy of formalin detection kits and weaknesses in the present enforcement mechanism, enactment of the envisaged law will necessarily demand special care to make it failsafe.

It is important that the law is able to plug the administrative loopholes through which the dangerous cargo reaches the hands of unscrupulous traders in the food market. As for instance, to control its import, the amendment made to the import-export policy of 2012-15 terms the chemical as formalin, while the same item is being imported under different other chemical names such as para-formaldehyde. The commerce ministry's latest draft law to this effect, Formalin Control Law, 2014, is also not free from this limitation. So, the new law in question should take all these technical lacunae into consideration.

Reports have it that some five thousand tons of this toxic chemical have been imported over the past five months. But the share of its import for industrial purpose is at an insignificant level. Since there is no dependable estimate on the actual demand of this chemical in the country, the whereabouts of this huge quantity of imported formalin will remain a matter of concern.

The government must be able to track down the entire route of formalin's movement from its importing sources to the level of its end users. That will help make the enforcement mechanism to combat formalin menace stronger and effective.

## Power tariff and losses both going up

*What respite for consumers?*

AS per a report in this paper on June 26, Power Development Board's (PDB) has been counting losses over the past couple of years to the tune of thousands of crores of taka. This comes in the backdrop of repeated power tariff hikes. Apparently, the power sector will not come out of the red before 2018. The government had originally envisaged large increases in power generation to come from coal-based power plants, the first of which were supposed to become operational in 2014-2015. This has not happened. The stopgap measure of buying electricity from heavy fuel-fired rental power plants has now become the mainstay of power generation in the country. Though chronic load shedding in electricity has largely been mitigated, it has come at a huge cost, which is becoming unsustainable.

With PDB counting a projected Tk. 4,500 crore loss in the current fiscal and the first of the new coal-based plants to come online sometime in 2018, this bears bad news for consumers. We are told that the government may not hike tariff this year, but the question is precisely why concerned authorities have dragged their feet on such an important issue, particularly if generating bulk of electricity from coal-fired plants was part of the plan? What we need to know is whether the new revised deadline of 2018 can be met given the sorry state of implementing capacity of state bodies. Implementation must receive top priority since every price hike in electricity is followed by a new round of inflation which consumers can ill-afford to pay.



MOHAMMAD BADRUL AHSAN

### CROSS TALK

THE leading lights of the country recently got together at a two-day colloquium starting last Saturday, and they discussed the wefts and warps of Bangladesh economy. Although some news reports claimed the participants had lauded the progress made so far, reading between the lines gave a different story. Each of the participants actually uttered cautionary words carefully couched in academic parlance. The only exception was our finance minister, whose null hypothesis gave away the dull state of his mind. It was an admission of confusion when he said, amongst other things, that the country without political stability was doing quite well.

What the minister said in good jest must have been a Freudian slip of tongue. He confessed to three things which are key deterrents to economic growth. Two of them he cited as major failures are the absence of a large-scale manufacturing sector and stagnant private sector investments. Third one is unemployment, which he confirmed was a serious problem.

After that the minister stumbled again. He argued that people were managing to survive somehow because of expansion of services and rural activities. But he contradicted himself when he explained that services which could be provided by one person are being provided by three persons. Does that mean one position has created three employments? The minister didn't tell us how it tied in with his concern over unemployment.

Other discussants concurred that unemployment and investment were two challenges facing Bangladesh. This is where we should take a deep breath to understand what's going on. The rate of growth is one of the most important indicators reflecting a nation's economic health. And when there's growth in GDP, there's also growth in personal income, business, and jobs.

But when does growth happen to the satisfaction of all? Three signs give clear indications. Investors feel good and start putting their money into productive assets. Employers feel good and start hiring. Consumers feel good and start buying.

If that's the litmus test of economic growth, where does it stand when investors aren't investing and jobs are not being created? If the consumers are still feeling good and buying, it may be an unwholesome symptom of an unholy economy.

It could mean people aren't legitimately earning their incomes but making money through questionable means.

There has been a great deal of controversy over the growth rate in this country. This finance minister every year projected higher target and international agencies and domestic experts disagreed in tandem with him. Then we have also got this ever swelling budget figure, much of which never gets implemented anyway. The government seems to have inured itself to the mindset of a village idiot. It believes size is more important than substance.

Since World War II, the US economy, largest in the world, has averaged 3.3% growth per year. Nonetheless, the growth magnitude is important for a small economy like Bangladesh if it has to achieve high levels of production, consumption and investment. But that isn't the only way to look at its success. A big budget is popular amongst politicians perhaps because it gives them more room for abuse, misuse, bribery, cuts and commissions. In fact, the real thrust of budget should be on something else. Low growth rate isn't so bad provided distribution of income is more efficient.

A foreign speaker on the first day of the colloquium observed that distribution of wealth in the country hasn't been that unequal and it hasn't got worse, which was why the country has performed well in terms of poverty reduction. It's true that per capita income has gone up. It's true that people can afford more amenities in life. At the same time it's also true that the stinky rich Bangladeshis have stashed away Tk. 32.36 billion in Swiss banks. Affluent Bangladeshis have invested many times more that amount in second homes and businesses to keep their families in safety and comfort.

This is why a country needs government. The energetic and the innovative in any economy will always find ways to make more money, but the government must ensure that fruits of economic growth reach everyone. It can be done by growing the pie bigger at once slicing up the pie in an equitable manner.

What has happened so far can be called the bread crumbs theory of growth. The economy has grown but the benefits concentrated in a very few hands. And the bread crumbs from the tables of these rich folks have been falling at an increasing rate. It has created the illusion of progress down the rungs.

That essential truth didn't get enough emphasis. Instead, the two days saw intellectual exercise in beating around the bush that only reinforced the cliché. The economy is nothing but an excuse to deprive people of what rightfully belongs to them.

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## Six decades of nuclear power

ABDUL MATIN

THE nuclear industry will celebrate the sixtieth anniversary of nuclear power on June 27. On this day in 1954, the world's first nuclear power plant, APS-1, with a generating capacity of 5 MWe became operational at Obninsk in the former Soviet Union, now in Russia.

The generation of electricity from nuclear fission did not take place all of a sudden. The pursuit to convert mass into energy following the principle of Albert Einstein's mass-energy equivalence,  $E = mc^2$ , started in the early 20th century soon after the discovery of radiation from radium. In 1932, James Chadwick discovered neutron, a sub-atomic particle capable of causing fissions of uranium nuclei. The first nuclear chain reaction was achieved in Chicago by Enrico Fermi on December 2, 1942.

During the late 1930s, research on nuclear energy was directed mostly to the development of nuclear weapons. It culminated in the dropping of two atom bombs in Hiroshima and Nagasaki in August 1945. After World War II, nuclear energy research was devoted mainly to generation of electricity and also to naval propulsion. Eventually, electricity was generated for the first time on a laboratory scale by a nuclear reactor on December 20, 1951, at the EBR-1 experimental station in Idaho in USA and the first nuclear powered submarine, USS Nautilus, was launched on January 21, 1954.

APS-1 was moderated by graphite and cooled by water. A moderator slows down the neutrons and increases the rate of nuclear fissions inside a reactor while the coolant cools the reactor and takes away the heat to generate electricity. The world's first commercial nuclear power reactor, Calder Hall, moderated by graphite and cooled by carbon dioxide, became operational in 1956 at Windscale in England. The United States built its first commercial nuclear power reactor, moderated and cooled by water, at Shippingport in 1957. Canada built a 22 MWe Nuclear Power Demonstration (NPD) reactor, moderated and cooled by heavy water, in 1962 at Rolphton, Ontario.

These were prototypes or generation-I nuclear reactors. Most of the current operating reactors evolved from these prototypes. The commonly used nuclear power reactors include pressurised water reactors (PWR), boiling water reactors (BWR) and pressurised heavy water reactors (PHWR). The graphite moderated reactors (AGR and RBMK developed by the United Kingdom and Russia respectively) are not being pursued any more.

Most of the currently operating reactors are classified as generation-II reactors and will gradually be phased out. They are likely to be replaced by more advanced generation-III reactors which are already in operation. Generation-III light water reactors include advanced boiling water reactors (ABWR) and advanced pressurised water reactors (APWR). They incorporate passive safety systems that come into operation without the requirement of any action by the operator. These reactors are safer than generation-II reactors. Generation-IV reactors, likely to be smaller, safer and more economic than generation-III reactors, are still on the drawing board and may be available around 2030.

In some reactors, nuclear fissions are caused by fast neutrons. Such reactors are called fast reactors and are designed to produce fissile nuclear fuels. Some fast reactors produce more fissile fuels than they consume and are known as fast breeder reactors (FBR). FBRs have been under development in several countries.

Even though nuclear reactor safety improved steadily and significantly over the years, the nuclear industry did



not have an easy sailing since its inception. Several nuclear accidents jolted the nuclear industry from time to time. Three major accidents occurred, in the Three Mile Island Nuclear Power Plant in USA in 1979, the Chernobyl Nuclear Power Plant in former USSR (now in Ukraine) in 1986 and the Fukushima Daiichi Nuclear Power Plant in Japan in 2011. Many countries in Europe like Germany, Sweden, Italy, Spain, Switzerland and Belgium decided to phase out nuclear power. Japan has closed all its nuclear power plants. The decision to phase out or close nuclear power plants was, however, taken on political considerations without performing any scientific study on the safety of the nuclear power reactors.

Nuclear power has the least number of fatalities per unit of generated electricity in comparison with other sources of energy. Coal has the highest mortality rate of 170,000 deaths/trillion kWh followed by oil with 36,000 deaths/trillion kWh. Nuclear power has the lowest rate of 90 deaths/trillion kWh.

At present, 436 nuclear power reactors with a combined generating capacity of over 374,000 MWe are operating in 31 countries producing over 11% of the world's electricity. Closures of all the nuclear power plants will sharply increase the demand and the prices of other fuels, mainly oil and coal, making electricity generation prohibitively expensive. The cost of replacement of nuclear power with renewable energy is estimated at €1 trillion in Germany alone. The *Wall Street Journal* reported in August 2012 that "shutting down the Japanese nuclear industry entirely would bankrupt four of the country's largest utilities." Higher consumption of fossil fuels will aggravate the global warming scenario and higher prices may trigger another economic recession.

France generates 75% of its electricity from nuclear energy and has a generation-III reactor under construction. The UK has 16 reactors producing about 18% of its electricity. It also has plans to build 16 GWe of electricity to be operational by 2030. In the USA, the world's largest producer of nuclear power with 104 reactors in operation, five new reactors may come online by 2020. Russia, Finland, China, India, Pakistan and South Korea are continuing with expansion of their nuclear power programmes. UAE has four nuclear reactors under construction. Turkey, Belarus, Vietnam and Bangladesh have plans to build their first nuclear power plants.

Nuclear power does not produce any greenhouse gases. It is economic compared with imported fossil fuels and renewable energy. The improved safety, economy and reliability of the advanced reactors will steer nuclear power to celebrate many more anniversaries for a long time.

The writer is a former chief engineer of Bangladesh Atomic Energy Commission and author of "Rooppur & the Power Crisis."

## LETTERS TO THE EDITOR

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### Biman management must apologise

Your front page photograph and report published on June 25th has vividly demonstrated Biman's attitude towards its passengers. The MD of Biman should apologise publicly on behalf of his staff, who beat up a female customer!

Biman always ignores its customers. While most airlines try to practice "service with a smile", Biman is probably practising "service with violence". Is it because most ground and desk personnel in Biman have got their jobs through political connection and nepotism? Biman management should not forget that they are running Biman with taxpayers' money.

Can the Biman management justify this violence against a woman customer? No way! So apology comes first, not inquiry.  
 Engr. S. A. Mansoor  
 On e-mail

### Tortured cart drawing horses of Old Dhaka

I am a volunteer English teacher at IUBAT. For the last two weekends I have enjoyed visits to old Dhaka. As a horse lover and owner of a one back home in Shreveport, LA, USA, however, I could not help note the condition of the horses drawing vehicles in the midst of traffic as I made my way around. One in particular out of many suffering has lodged itself into my memory, a pinto horse, emaciated, his sides heaving with effort; his head lifted high to escape the bit, his withers rubbed to open sores by an uncovered wooden collar and his whole body wet with sweat. First, I am against all horse-drawn vehicles for tourists in all countries. I regularly sign petitions for their ban in my country. I will say I have never seen a horse in such torment as the one I saw in Dhaka this weekend.

Horses are notoriously sensitive to heat. The sweat, the sides heaving, the rolled eyes indicate near heat exhaustion. Second, hard surface gradually breaks down the bones and joints in the legs. Eventually, hairline fractures will occur, shin splints, ossification and arthritis. As this is occurring, the pain is immense.

The horses will be driven, walked, trotted, even galloped until they drop, I assume, and then sent to the meat market. The vehicle itself was piled high with about 15 people, seemingly oblivious to the pain they were instrumental in. I am living this summer near the slum area. I understand other problems exist. I am only writing to make others aware of this terrible phenomenon, and I am working under the belief that compassion is limitless so there is no need to pick and choose its recipients.  
 Dorie LaRue  
 Prof. of English  
 IUBAT, Uttara

### Comments on news report, "New gas field raises hope," published on June 22, 2014

**Hafeejul Alam**  
 A few years back, foreign experts reportedly said that Bangladesh was floating on gas. Probably, it was not an exaggeration!

**Sara**  
 Previously, there have been incorrect predictions. Let us wait and see if this is really gas. 10-15 mmcf/d is not much, but still valuable.

### "History's metaphor" (June 23, 2014)

**Hafeejul Alam**  
 I beg to differ with the author in as much as Awami League is not a metaphor for democratic politics. It has survived but not in a democratic way. Sometimes, the dictators also survive but the duration is short and the effects are nasty and brutish.

If Awami League wants to survive better, it has to reorganise the party with the mantra of bottom-up instead of top-down. The people of Bangladesh prefer democracy to any sort of authoritarianism.

**Mortuza Huq**  
 Historians must not forget that Awami League was abolished with the creation of BAKSAL in 1975 by the then parliament under Bangabandhu Sheikh Mujibur Rahman.

### "8 Huji men to walk gallows" (June 23, 2014)

**MH Khan**  
 Hang them now!

**Molla A. Latif**  
 All of them are Muftis, Maulanas and Hafez. Lived long after killing so many innocent people, yet did not have any remorse or repentance. How hard and merciless are their hearts?

**CORRECTION**  
 In our first editorial printed on June 26, the date of publication of a report by UNCTAD was given as June 23. It should be June 24. The error is regretted.

## Journalism jailed in Egypt

SHAHRIAR FEROZE

AFTER three journalists for Al-Jazeera English were sentenced for between 7 and 10 years in jail on charges of aiding terrorists and endangering national security last week, the Egyptian judiciary not only suppressed the media but also signalled that autocratic days for the country are looming at large. The judicial decision on sentencing the journalists without any political interference cannot and will not stand.

This verdict in many respects hints at how the future Egypt under Mr. Al-Sisi and his government will act like. Firstly, this verdict is most likely to stand as an obstruction in the path of Egypt's transition to democracy. Secondly, it also confirms Egypt under its new ruler is not prepared to take leadership roles in Africa and the Middle East.

Britain, Australia, US and Canada have all denounced the conviction of last week while saying that they will create pressure on Egypt for changing the verdict. But rationally speaking, if the Egyptian government somehow decides to retrace its steps and releases the imprisoned journalists, then that too will have to come by influencing the judiciary. No matter what happens, clearly Egypt's space for press freedom has shrunk.

In particular, it was amusing to follow a group of critics in the international media agencies assuming that the journalists were actually casualties of a geopolitical battle between Egypt and Qatar, which owns the Al-Jazeera network. If we take this supposition to be true then Mr. Sisi and his anti-Muslim Brotherhood elements should have deported the journalists and stopped Al-Jazeera functioning in Egypt. This would have, at least, prevented Sisi's government from directly attacking the freedom of speech in that country.

For this writer it was the timing of the verdict that was quite fascinating to follow. Barely 24 hours had passed the after US decided to approve a \$575 million military aid to Egypt crashing came the verdict for the journo. A dictator behind the façade of a democratic leader often behaves idiotically. Thus his true colours got revealed considering what he plans to do with anyone who stands as his opposition.

What Egypt needs today is a fair exposure of facts on what its leaders plan to do with its people; and what can a better tool other than the various forms of journalism if given the opportunity to practice it freely and fairly. However, the underlying message is that if the Al-Jazeera journalists were persecuted for simply doing their job then the Egyptian regime had wrongfully attempted to jail journalism -- and whoever does that usually fails in his/her endeavours.

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