

# Will the better global indices push our economy ahead?

M. AMINUL ISLAM AKANDA

BAKGLADESH erased its negative branding of Kissinger's bottomless basket case in the 2000s. The economy attained an average growth rate of 6.3% in the early 2010 from a mere of 3.7% in the 1980s. Meanwhile, the economic system has been transformed into market capitalism. It is also endowed with some capitalistic brands like its position in the Goldman-Sachs's next eleven emerging economies and in the Coface's new ten emerging countries. Moreover, we are praised for our progresses in some global indices and rankings. The indices compare the social and economic environments of different countries in the world. Some of them are progressive-better that indicate better position against higher scores, whereas the regressive-better indices explain reversely.

Our country, like other 47 least developed countries (LDCs), suffers from a vicious cycle of capital formation, low level of human capital, technological deficiency and macroeconomic instability. Moreover, it is the 5th climate vulnerable country in the world as per the Climate Risk Index (CRI) 2014. The CRI is a progressive-better index, the score of which was reported at 16.01 in 2006 and 19.67 in 2013 indicating a risk diminution that was mainly for high adaptation. On the other hand, our rank was 11 in the Happy Planet Index (HPI) 2012. The HPI is also a progressive-better index by the New Economic Foundation. It calculates happy life years from life expectancy adjusted to well-being and ecological footprint. Our HPI score was 12.6% higher than that of South Asia. However, our better position from low greenhouse gas emission cannot lessen our climate risk as the risk comes from others emission, too. Interestingly a vulnerable country with 6% per capita consumption of a developed one, only PPP \$1,830 per capita at 2012 international US\$, offers more long and happy life.

The Institute for Economics and Peace has also recognized Bangladesh as a medium peaceful country. It is as per the Global Peace Index (GPI), a regressive-better index at a range of 10-0 that is made of 22 indicators on domestic and external conflicts, social safety and security, and militarization. Our peace level improved for a fall in GPI score from 2.118 to 2.106 during 2008-2013. However, it deteriorated by 0.8% in South Asia and 12% in the world over the same period. Moreover, the World Happiness Index (WHI) has shown a happiness loss in all South Asian countries except Bangladesh. The UN Sustainable Development Solutions Network prepares the WHI, a progressive-better index at a range of 0-10, taking GDP per capita, social support, healthy life expectancy, life choice freedom, generosity and corruption perception into account. We gained happiness for a rise in WHI to 4.804 during 2010-12 from 4.473 during 2005-07. Gains in peace and happiness are our wealth but how long could an LDC retain it in the wave of globalization?

'Development as Freedom' is a famous book, where Nobel laureate economist Amartya Sen pointed out five freedoms including economic freedom. The Heritage Foundation, not on the same philosophy, produces the Economic Freedom Index (EFI) that is a progressive-better index at a range of 0-100. Our economy turned into mostly 'unfree' from repressed one for a rise in the EFI from 44.2 to 52.6 during 2008-2013. We could not develop our economy with an EFI rank at 131 that China could do with a rank at 137. Our progress is slow for low scores in a few sub-indices like property rights protection, freedom from corruption and financial freedom. However, our overall score is one point higher than the LDCs' average. Though the EFI is a widely promulgated index, it does not tell insight of high investment of the developing economies with low scores in investment freedom.

Meanwhile, our economy has stepped up of the LDCs' average in

reducing some basic deficiencies. We moved out of 'extreme alarming' and 'alarming' levels of hunger. The Global Hunger Index (GHI) 2013 ranked us as the 58th least hunger affected country in the world. Our progress is very satisfactory in poverty alleviation, primary education, child healthcare, maternal health and basic sanitation. Meanwhile, we have received a few awards from the United Nations and other international agencies. All these have created a base for human development. According to the Human Development Index (HDI) 2013, our score is higher than the LDCs' average. The United Nations Development Program prepares this HDI as a progressive-better index at a range of 0-1 taking life expectancy; literacy rate and per capita income into account. Our HDI score increased from 0.494 to 0.558 during 2005-2013 that offered us a status of medium human developed countries with 142nd position in the world. Based on potential young human resources, the JP Morgan placed us in the Frontier Five. However, we are still far to make our human resources into human capital.

The World Economic Forum has listed Bangladesh among the factor-driven economies as per its Global Competitiveness Index (GCI) 2013. This type of economies competes primarily on unskilled labor and natural resources. They do not have well-functioning institutions, well-developed infrastructures, stable macroeconomic environment and healthy workforce with basic education. Our low competitiveness level remains almost unchanged for the same GCI score at 3.7 out of 10 in 2006 and 2013. We will have to cross the stage of efficiency-driven and other two stages in-between to peak at the innovation-driven economy. Can we reach at that peak where our position is just above Myanmar from the last among 28 countries in the Asia and Pacific as per the Knowledge Economy Index 2013?

Our investment climate is too unfavorable to accumulate idle money. The

actual investment is 27% of GDP against 32% of planned one. Theoretically, it will create negative change in inventories and will promote investment. However, our investment was seen insensible to interest rate and also to the World Bank's 27th rank for investment security. Though our taxation is said investment friendly, its position is 92nd in the world as per the index of the effect of taxation on incentive to invest. Our high savings rate cannot stimulate investment mainly due to corruption. We might escape our status of the top-most corrupted country but the chief of Anti-corruption Commission acknowledged it to spread into the blood of the people. Moreover, charismatic misappropriation was observed into non-productive investment over the last few years. Can we raise investment to create jobs while our private investment is declining?

Our unemployment situation gets so alarming that 47% of the bachelor-degree alumnae and 14.37% of doctors and engineers remain unemployed. The education system is also reported non-sensible to market demand. There will be sixty million unemployed people in Bangladesh in 2015 as per an ILO estimate. Many economic analysts and business bodies argue in favor of the freedom from corruption as an investment stimulus. Sometimes our politicians confer anti-corruption speech. However, investors of either native or overseas cannot keep confidence on them. Our rank in public trust on politicians is 132 with an index value of 1.9 out of 10. We need political pledge to facilitate efficient production processes. Any improvements in global indices would not stimulate economic activities to make our country into a developed one. However, they might inspire us to move ahead. An investment climate faithful to private investors and friendly to environment may turn our visions into reality.

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## The three most difficult words

### SHIFTING IMAGES



MILIA ALI

THE advent of the 21st Century witnessed an explosion of electronic information, which in turn led to an unprecedented spike in transparency, both in the public and private domain. But, has this openness resulted in greater accountability? I am afraid not. Here are some brazen examples where senior public officials and leaders have refused to be held accountable:

Recently the Human Rights Watch expressed deep concern that the increase in suspicious extra judicial killings in Bangladesh by security forces was plunging the country toward a crisis. The State Minister for Home flatly denied the charges and declared: "I do not even believe any such killings have taken place in recent times..."

In 2013, more than a thousand Bangladeshi garment workers were crushed under the debris of a garment factory that collapsed. Rather than admit that inadequate safety standards were responsible for the loss of workers' lives, garment owners and their organization the BGCMEA (Bangladesh Garment Owners and Exporters Association) tried to deflect the issue by accusing the media of sensationalizing the tragic accident. There were also loud cries of a "conspiracy" to defame the country and damage the export trade.

Former United States President George W. Bush and his senior officials flatly denied the extra-judicial torture of prisoners at Guantanamo and other unidentified bases outside the country. We now know that harsh and unethical methods of interrogation were, in fact, used to gather information from prisoners.

There is also the ongoing controversy surrounding Edward Snowden's revelations of widespread wire tapping and spying on world leaders by the United States. The Obama Administration has dismissed the allegations as "exaggerated" reports by a disgruntled insider. In fact, the entire debate was redirected to painting Snowden as unpatriotic.

The above examples illustrate an important behavioral pattern predominant among leaders and people in positions of power. They display a tendency to shirk responsibility and play the blame game. Unfortunately, this attitude is noticeable among most people, whether it is in their business dealings or in regular social discourse.

The problem seems to stem from the deeply entrenched belief that admitting one's mistakes is a sign of failure or at best a weakness. In reality this is a misplaced belief because we know that secure and honest people never offer lame excuses – they admit their mistakes readily. They understand correctly that apologizing can be incredibly beneficial and empowering, since it can result in deeper emotional closeness and trust toward the other person.

The benefits of acknowledging one's errors and initiating remedial actions are especially important for leaders. In an article, entitled "Creative Leadership: Humility and Being Wrong", published in Forbes (June 2012), Doug Guthrie and Sudhir Venkatesh make an interesting case for the positive power of admitting one's mistakes: "It is not only good to admit you are wrong when you are; but also it can also be a powerful tool for leaders—actually increasing legitimacy and, when practiced regularly, can help to build a culture that actually increases solidarity, innovation, openness to change and many other positive features of organizational life." When leaders fail to apologize for their blunders, the lack of authenticity generates an atmosphere of mistrust and jeopardizes the authority and credibility of the organization.

To elaborate the point let us revert to George Bush. History will remember him as the US President who initiated a war under a false pretext and did not assume responsibility for his actions. The world still holds him accountable for causing countless deaths and global instability. His disingenuousness and refusal to admit that his decision to go to war was based on false intelligence have greatly damaged the credibility of the United States.

The fact is that most of us respect and admire people who take responsibility for their actions. Alternatively, we develop an instinctive mistrust for those who deflect responsibility with astonishing finesse. So one may ask, why is it that most people are reluctant to apologize? I suppose it's because apologizing needs enormous courage and confidence. Actually, it requires overriding our ego that supposedly protects our fragile sense of self worth.

One may argue that in an era where self-aggrandizement is perceived as a pre-requisite for success, making a case for humility may seem somewhat passé. But most effective leaders are humble enough to acknowledge their mistakes and accept new inputs and ideas to change the status quo. At a personal level saying "I am sorry" can be therapeutic since it allows us to let others know that we care about them and want to make amends. And at the end of the day "making things right is more important than being right."

As for me – I have been sorer for all the missed opportunities when I neglected to say "I am sorry", than when I said "I am sorry"!

The writer is a renowned Rabindra Sangeet exponent and a former employee of the World Bank.

# What type of car should we drive?

QUAMRUL HAIDER

ACCORDING to Ward's AutoWorld estimate, motor vehicles, such as passenger cars, buses, and light, medium and heavy duty trucks worldwide currently emit a whopping 6 billion tons of carbon dioxide each year. (This figure does not include off-road vehicles or heavy construction equipment.) These emissions account for more than 20 percent of carbon dioxide released globally by burning fossil fuel. That is why automobiles driven by us are one of the major culprits for destabilizing the natural order of our planet.

Unfortunately, we have long grown accustomed to thinking that the carbon conundrum that results from automobiles are inevitable. It is no longer true. Short of abandoning the conventional gasoline-burning cars for mass transport, solutions to the conundrum are eco-friendly electric, hybrid and solar-powered cars.

Electric cars use energy stored in batteries. They give off no emissions, and are energy and cost efficient. One can expect to spend the equivalent of

around 60 cents per gallon or 12.50 Taka per liter to run an electric car. Since electric cars have fewer moving parts, they operate more quietly than gasoline cars.

Despite the environmental and long-term financial advantages, there are some disadvantages of owning electric cars. They have significant battery-related challenges. It takes 4 to 8 hours to fully recharge a battery. Moreover, during winter season, batteries could cause some problems due to extreme weather conditions. Besides, they have a driving range of 100–200 miles. In contrast, their gasoline-burning cousins can go 300–400 miles before refueling.

Hybrid cars, a cross between electric and conventional cars, generally produce 80 percent less greenhouse gases than comparable gasoline cars. They also have a much better fuel economy, 0.45 to 1.0 gallon to drive 25 miles.

The advantages of hybrids are outweighed by the maintenance cost. It is very high because of the complexity of the dual combustion system. Since the gasoline part of the hybrids' engine is smaller than regular cars, they deliver less power. The electric motor has low

power too.

Solar cars, as the name suggests, harness energy from the Sun and converts it into electricity using photovoltaic cells. The electricity then fuels the battery that runs the car's motor. Instead of using a battery, some solar cars direct the power straight to an electric motor.

Owning a solar car has both advantages and disadvantages. Much like electric cars, solar cars have zero carbon footprints. This makes them more eco-friendly than hybrid cars. According to U.S. Environmental Protection Agency, a typical solar car needs 32 kilowatt-hours of electricity per 100 miles. This is equivalent to an unbeatable 105 mpg.

Although the benefits of solar cars, particularly the zero fuel cost, may seem appealing, there are still many technological hurdles that have to be overcome before they can become reality. Driving a solar car may not be the most pleasant experience because it can heat up quickly. If a solar car runs entirely on solar power then the car has to be in the presence of sunlight all the time. Hence, getting around at night or on rainy days when the Sun is nowhere

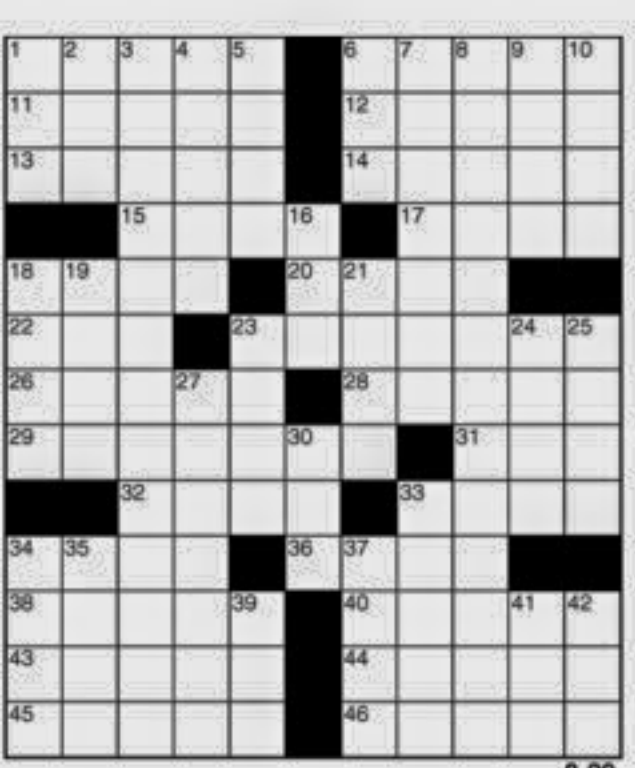
to be seen will be a problem. Additionally, the cars have to be extremely lightweight in order to be able to move.

What is the retail price of a solar-powered car? While sunlight is free, the solar panels and photovoltaic cells that capture sunlight are expensive. The much-hyped 2014 Tesla is priced at \$91,000!

So, what type of car should we drive? We have two clear-cut choices before us: live with some inconveniences that come with eco-friendly cars or maintain status quo by driving eco-unfriendly cars.

Each of the cars described here can be adapted to our lifestyle if we can develop an ecological sensitivity that allows the environment some basic rights. Otherwise, the potential man-environment conflict will persist, and sooner than later, we will be heading towards a global catastrophe – the Earth will most likely become hostile to human life. Let us forget, we need a habitable Earth; the Earth does not need us.

The writer is Professor of physics at Fordham University, New York.



Yesterday's answer

A	S	P	S	S	C	A	R	A	B
C	A	R	T	P	A	R	O	L	E
I	G	O	R	O	R	A	T	E	D
D	E	F	E	C	T	O	R		
				U	S	E	L	A	C
				S	A	S	S	I	
				E	L	I			
				A	D	O	R	E	
				M	A	N	O	R	
						U	N	C	L
						N	A	U	S
						O	B	S	E
						B	E	A	S
						E	N	D	S

## CROSSWORD by Thomas Joseph

- |                          |                              |
|--------------------------|------------------------------|
| <b>ACROSS</b>            | <b>DOWN</b>                  |
| 1 Out of the way         | 1 Patriots' org.             |
| 6 Takes steps            | 2 Polite address             |
| 11 Raul Castro's brother | 3 Mariah Carey hit           |
| 12 Solitary              | 4 Fake duck                  |
| 13 Pottery pot           | 5 Antlered animals           |
| 14 Baltimore pro         | 6 General activity           |
| 15 Snack                 | 7 Crimson Tide's home        |
| 17 Sugar source          | 8 Mariah Carey hit           |
| 18 Map dot               | 9 Dangling thing             |
| 20 Baby-sitter's bane    | 10 Dispatched                |
| 22 A question of method  | 16 "Game of Thrones" carrier |
| 23 Sail support          | 18 Smart                     |
| 26 Tuscan setting        | 19 Tiny amount               |
| 28 Creative sort         | 21 Record nos.               |
| 29 Party snacks          | 23 Key-board goof            |
| 31 Peyton's bother       | 24 Hawk                      |
| 32 Lunch time            | 25 Singing group             |
| 33 Capital on a fjord    | 27 From Vientiane, say       |
| 34 College house         | 30 Break off                 |
| 36 Move quickly          | 33 Satellite path            |
| 38 Allowed               | 34 Move smoothly             |
| 40 Spanish resort isle   | 35 Strahan's co-host         |
| 43 Big name in TV talk   | 37 Goals                     |
| 44 Silent performers     | 39 Common article            |
| 45 "Hawaii" star         | 41 Last letter               |
| 46 Costly                | 42 Nile snake                |

**QUOTABLE Quote**

*Never rely on the glory of the morning nor the smiles of your mother-in-law.*

-Japanese Proverb

**CRYPTOQUOTE**

KWQ GWC'I PHNL IW TQMMLE IW VL H RWLI; HGWULTBLCFT BL CWQJP TQMMLEFCJ MWE HCKWCL.

--ZWPCBFHEGF

**Saturday's Cryptoquote:** THE HIGHEST POSSIBLE STAGE IN MORAL CULTURE IS WHEN WE RECOGNIZE THAT WE OUGHT TO CONTROL OUR THOUGHTS. -- CHARLES

**A XYDLBAAXR is LONGFELLOW**

One letter stands for another. In this sample, A is used for the three L's, X for the two O's, etc. Single letters, apostrophes, the length and formation of the words are all hints. Each day the code letters are different.

**KATALYST** Improving business. Improving lives.

**swisscontact**

### Request for Proposal

Katalyst is a market development project that aims to contribute to increasing the income of poor men and women in rural areas. It does this by facilitating changes in services, inputs and product markets, which in turn increases the competitiveness of farmers and small enterprises. Katalyst is co-funded by the Swiss Agency for Development and Cooperation (SDC), the UK Government, and the Danish International Development Agency (Danida). It is implemented by Swisscontact under the umbrella of the Ministry of Commerce, Government of Bangladesh.

Katalyst is looking to finance innovative ideas in the following issue:

**Sub-facilitation for implementing market development interventions related to "Upscaling of summer maize cultivation through relevant partners"**

Katalyst invites interested consulting firms, international and local non-governmental organisations with associated experience to submit innovative project proposal on this issue. The Request for Proposal, Sector Brief, and templates for proposal and budget are available at:

[http://www.katalyst.com.bd/abtus\\_procurement.php](http://www.katalyst.com.bd/abtus_procurement.php)

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**Application Eligibility**

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**Admission Interview: Thursday, 11 September 2014**  
**Classes Commence : Sunday, 14 September 2014**

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