

A 100% Opportunity at a 2% Cost

Regional power grid plan Promises a new era in energy cooperation

WITH seven nations of South and South East Asia finalising a draft plan to set up grid connections to facilitate trading of electricity, a new horizon opens for power cooperation in the region and beyond. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec) member nations including Bangladesh, India, Myanmar, Bhutan and Nepal can all benefit from trading in hydropower.

Whilst the Bimstec initiative has been around since 1997, it is only now that a draft plan has been agreed upon. Only when the Memorandum of Understanding (MoU) has been inked that member countries can begin work on setting up infrastructure that will bring the immense potential to fruition. Indeed the third Energy Ministers' meeting due in Kathmandu sometime in 2015 is supposed to be when the MoU is signed. With import of power featuring large on Bangladesh's roadmap for energy security leading up to 2030, there is every reason to give impetus to this initiative at the highest policymaking level.

We are hopeful that the Kathmandu meet will lay the foundations for a broad framework that will oversee implementation of grid connections to promote optimal and rational power transmission throughout the region. Once approved, the framework will allow for member countries to trade power as a commodity as per individual country's demands. Hence, we reemphasise the need to expedite the process of bringing the plan from the drawing board on to the ground as there is no time to be lost for the power-starved nations.

The Consumer Rights Protection Act 2009

Amend it to protect patients' rights

THERE have been quite a few shocking cases of patients dying, or their condition becoming worse because the medical practitioner or the hospital staff neglected their duties. The reason is the absence of accountability, especially beyond the purview of their institutions.

The Consumer Rights Protection Act 2009 has the provision for a patient to file a suit in the case of negligence in the service provided by the hospital or member of the medical profession. But there are loopholes in this Act which makes it ineffectual when dealing with medical negligence.

The relevant sections of the Act that could be applied to medical negligence are not sufficient in terms of meting out punishments proportionate to the crime.

The convoluted process of filing a complaint to the Director General or head of the department first before it can reach the Magistrate, that too, if that authority thinks it is valid, makes it virtually impossible for the wronged patient to seek redress.

Our lawmakers must now step in to streamline the procedure to make the errant medical practitioners accountable and ensure tougher penal provisions.

Moreover, the term 'medical profession' must be made expressly inclusive in the Consumer Protection Act as in India.



KNOT SO TRUE

RUBANA HUQ

APRIL 24, 2013 changed our lives forever. We woke up to altered realities of manufacturing where new safety standards became our sole tool of survival. Platforms like Accord and Alliance stepped in. Almost 1800 factories

out of 4422 got inspected and while the rest are yet to be addressed, most leading manufacturers have either already complied with the structural, fire and electrical safety, or are on their way to becoming so. Many have finished their Detailed Engineering Assessment (DEA) and have received comments from structural engineers who have either passed the factories or have given suggestions to resort to retrofitting. Retrofitting is a fairly simple, but a time consuming procedure where the factory needs to strengthen the columns to justify and bear the weight of the structure.

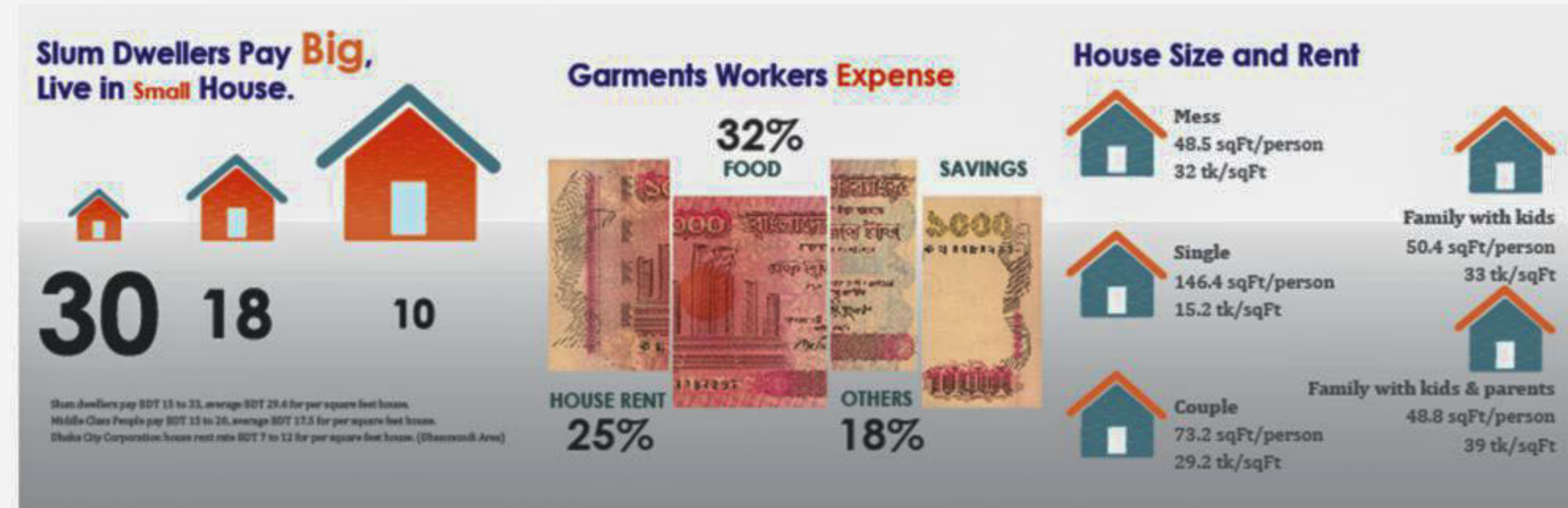
Retrofitting is expensive and can cost from anywhere in between Tk 200 to Tk 400 per square feet. Having a factory retrofitted would mean either closing down the factory for at least two to three months or attempt to retrofit phase-wise while shutting sections down gradually and remediating. In brief, it's time to move on. For many in rented factories, shifting to new premises makes more sense where at least the structural issues will be addressed; for the lucky ones, shifting to own premises would yield benefits as remediation is almost half a million dollars investment, depending on an average factory size of thirty to forty thousand square feet; for many more out there, shifting or remediating is a distant dream as they do not either have alternate plans, or the means to change.

In a situation like this, the garment sector is going through a massive transition. For most of us who raised our voices and asked for a "level playing field" and demanded that Accord and Alliance to go to India, Pakistan or China, things are a little different now. Today, Bangladesh is the only country in the world where the industry has been addressed, audited, and assessed. In about three years or so, the readymade garment sector in Bangladesh will look better than anyone else out there in the globe. The change will be brought about by the manufacturers themselves through tackling all the structural and other safety challenges. True there will be financial issues and in a country of banks which offer double digit interest rates, changing things around will not be easy. Manufacturers may totally and ultimately fail to convince brands to be a part of the remediation costs and may just settle for a promise of business, but the road to remediation will be on as there is no alternative to keeping our workers safe.

If the entire process to correct practices in

the industry is for the workers and not for just being in business, then your columnist believes that it's time to go beyond the regular practices that help the workers the most. What is that that worries workers? What adds most to their insecurities? Most of their fears evolve around housing. In a city that has 33% living in semi-permanent and 25% living in temporary shelters, where as many as 40% of the urban population live in slum and squatter settlements, many come to Dhaka for the pure reason of employment in RMG units. (Source: Shafi, S. Future of Dhaka: Our Responsibilities) Many of them

impacting savings. However the ones living with extended families had more family members earning and saving a bit more. And lastly, the ones who were living as couples had 70% of their partners working and hence could afford more space and more cost, though savings weren't much. The survey that your columnist conducted was based on a bare minimum sample size of fifty workers living in an area called Khilkhet, which falls under North Dhaka. I shall make an attempt to summarize the findings and present it graphically to the best of my ability. The data justifies that low cost housing projects would



ultimately end up paying much higher rent than what we ourselves pay. It maybe shocking, but many workers usually end up paying almost Tk 32 to Tk 40 per square feet while we pay Tk 10 to 20, depending on areas we live in. What can we do to solve this?

The government has offered a 2% interest rate for low cost housing for the workers. Your columnist most humbly proposes that most of us ought to seize this opportunity and invest in this mode of non-wage benefit immediately. What would it take for us to attempt this? It's fairly simple. Housing could be offered to the 25% of the best workers, based on their level of skill. This would then automatically incentivize good performance in workplace with ease.

The project could include two types of accommodation: dormitories for accommodating four in a room of 100 sq ft and family accommodation could be arranged within 150 sq ft. If we were to build 450 apartments of 100 square feet and 150 apartments of family size, i.e. 150 sq ft, and if we were to cost based on a 1500/sq ft as construction cost then a project for 600 workers could be set up for Tk 110 million.

In order to understand the costs of workers, I just ran a simple survey in one of our factories. Fifty workers were asked about their costs, namely house rent, food and other incidental expenses. Out of the fifty, the single men/women were found to be the ones who earned the most and spent most on house rent. The ones living in messes paid a substantial amount towards house rent and managed to save a little. The ones living with children bore the burden of expenses with earnings being averaged at humble numbers

not only save the workers from a rental nightmare, it would also increase the level of their workplace securities.

A low cost housing on even a rent-to-own basis, would take a worker around 6 years to pay for. Let's do a quick math: The total cost of a 150 square feet family type home for a worker would cost a maximum of Tk 2,25,000.00 and if a worker paid just Tk 3000 per month, he or she would take 75 months to pay for his/her new home. In case if the manufacturers want to retain the spaces, renting them out would also be helpful for the workers. We could then go to the next level of building a community around those living areas and give the workers a full life to live. For community building, one could approach many other organizations, who I believe, would willingly join hands with the RMG manufacturing sector. In a city where the bubble of real estate has burst, even real estate developers could collaborate with garment exporters and build these housing projects and also reasonably profit from the deals.

The 2% interest offer for low cost housing meant for the workers is a magical opportunity for many of us to graduate to the next level of compliance. Instead of saying that land is scarce and instead of calling the project utopian, maybe we need to look harder and find lands to build our dreams which will ultimately free us from the demons of a guilt ridden conscience that has been plaguing us for over a decade and which, with every industrial accident has suffered newer dents.

The writer is Managing Director, Mohammadi Group.

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PROJECT SYNDICATE

Railroading India's Railways

AWAKENING INDIA



SHASHI THAROOR

February, the Indian Parliament performs a curious and unique ritual. The railway minister (a portfolio that exists in few democracies nowadays) presents the "railway budget" to the lower house for its approval. A packed chamber hangs on the minister's every word. The practice began in the days of the British Raj, when the railway budget rivaled that of the rest of the Indian government. Of course, railway revenues today, at \$23 billion, no longer dwarf the country's budget, which now stands at some \$268 billion. But India's railways still produce other mind-boggling figures: 23 million passengers are transported daily (over eight billion per year, more than the world's entire population) on 12,617 trains connecting 7,172 stations across a 65,000-kilometer (40,000-mile) network. And, with 1.31 million employees, the railways are the country's biggest enterprise.

In short, the railways are the lifeblood of India's economy, touching the lives of every segment of society and playing a key role in moving people, freight, and dreams across a congested landscape. Yet much needs fixing.

India's trains carry four times the number of passengers as China's, despite covering only half as many kilometers, but still lose about \$7 billion annually. The problem is that a succession of railway ministers, viewing the trains as poor people's only affordable means of transport, have refused to raise passenger fares, squeezing freight instead. This has proved popular with voters but disastrous for the country.

Though freight transport still accounts for 67% of railway revenues, with 2.65 million tons carried every day, the higher fares needed to subsidise passengers have deterred shippers. As a result, the share of freight carried across India by rail has declined from 89 percent in 1950-1951 to

31 percent today.

Instead, an increasing volume of goods is shipped by road, choking India's narrow highways and spewing toxic pollutants into the country's increasingly unbreathable air. By contrast, China's railways carry five times as much freight as India's, even though China has a far better road network.

Making matters worse, politicians have continued to add trains to please various constituencies -- but without adding track. Indeed, owing to land constraints, India has laid only 12,000 kilometers of rail track since independence in 1947, adding to the 53,000 left behind by the British. (China added nearly 80,000 kilometers to its rail network over the same period.) As a result, several lines are operating beyond their capacity, creating long delays. Exacerbating this inefficiency are slow train speeds, which rarely exceed 50 kilometers per hours (and 30 kilometers per hour for freight), partly owing to the need to stop at an ever-rising number of stations to appease political interests.

But perhaps the biggest problem is how dangerous the railways are. Aging rails, tired coaches, old-fashioned signals, and level crossings dating back to the nineteenth century combine with human error to take dozens of lives every year.

Yet the railway ministers continue to insist on their populist approach. With the government losing \$4.5 billion every year by subsidising passenger fares, it has little money to spend on upgrading infrastructure, improving safety standards, or speeding up the trains. As a result, the railways run out of money before running out of plans. In the last 30 years, only 317 of 676 projects sanctioned by Parliament have been completed, and it is difficult to imagine how the railways will acquire the estimated \$30 billion needed to complete the remaining 359 projects.

And if all of this were not bad enough, India's leadership seems not to recognise the challenges that the railways present. In a country where rail passengers cannot even expect a clean toilet, let alone an on-time arrival, Prime Minister Narendra Modi has spoken of introducing bullet trains -- the

latest in a string of irrationally grandiose aspirations. A technocratic new railway minister, Suresh Prabhu, has once again left passenger fares untouched and raised freight rates. Though, unlike his predecessors, he has resisted the temptation to announce any new trains, his plans for India's railways remain inadequate.

Prabhu's pledges include improving and expanding rail lines, introducing wireless Internet at railway stations, eliminating unmanned level crossings, creating a 24-hour toll-free number for users to phone in complaints, and installing security cameras to protect women passengers. These improvements seem to his critics to be marginal, at best, and have left his fellow MPs underwhelmed.

Prabhu's most impressive promise -- to raise \$140 billion from market lenders -- is also his most problematic, as he has failed to clarify how exactly the railways would repay the loans. Given how high interest rates would have to be to attract investors, this will be no easy feat, especially because the railways currently have an operating surplus of just 6 percent, or about \$100 million annually -- barely 1 percent of the amount needed to upgrade and modernise the network.

It is far from clear how Prabhu's grand vision of a safer, cleaner, and speedier Indian railway system will be achieved in practice. The railway minister has created a dream budget -- though "pipe dream" might be a more accurate description.

In fact, this is in line with the Modi government's approach thus far: lofty aspirations, soaring rhetoric, and quotable sound-bites have been accompanied by few specifics, no implementation plan, and no improvements in execution capacity. India's overburdened trains cannot run on hot air, but that seems to be what they are being offered for now.

The writer, a former UN under-secretary-general, is a member of India's parliament for the Congress party and Chairman of the Parliamentary Standing Committee on External Affairs.

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COMMENTS

"Know nothing" (March 16, 2015)

Mohammad A. Auwal
BNP Joint Secretary General Salahuddin Ahmed remains traceless even five days after he went missing. This is ridiculous. None of the five law enforcement agencies arrested the BNP leader, then who did it?

"Auto driver dies from burns" (March 11, 2015)

Md Meizaan
I hate this kind of politics. What do the politicians want? Only death of innocent lives?

"Syhhet numbed" (March 16, 2015)

Rafan
This criminal should be punished immediately and severely. We want no more killing of children.

Anonymous
Is that man a human being or a monster? How could he do that? It seems to me that men are no

LETTERS TO THE EDITOR

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Khaleda's disappointing speech

Khaleda Zia's speech was indeed very disappointing. Having known the sufferings of the people, she still intended to continue the so-called movement. How many people have to be burned alive and how much more destruction is needed before she realises that the government will never step down? She made a huge mistake by not participating in the last national election and she must repent for that. However, she must also realise that her movement is going nowhere.
Aminur Rahim
New DOHS, Mohakhali, Dhaka

No commentator from Bangladesh in WC in WC

It is a matter of sorrow that we have not seen any Bangladeshi commentator in the World Cup Cricket 2015. We seem to have a shortage of commentators. To improve this situation we can recruit 12 young educated cricket lovers and train them to be our future cricket commentator. A professional commentator can be hired to train them. BCB may take some steps in this regard.
Shafkat Rahman
New Eskaton, Dhaka

The education system is at stake

Little are the political parties concerned about engaging in dialogue and preventing the ongoing nationwide violence. Blockade for an indefinite period and continuous weekly announcement of hartals have left us with immense sufferings. Our education system is at serious risk. With every announcement of hartals, comes a declaration of postponing the SSC exams. Hence the examiners and school authorities are left with no choice other than to conduct the exams on weekly holidays. SSC exams are being conducted in some way or the other but what about the schools, colleges and universities? Regular classes are not being held because parents fear, if they send their children to school they may be attacked by cocktails or petrol bombs. The current situation of the country has left the students into a dark hole; they are afraid of an uncertain, ambiguous future ahead of them.
Muhtashim Uddin Ahmed
Dhanmondi, Dhaka