

Keep tab on priceline

Consumers' interest needs to be upheld

PRICES of vegetables and spices have seen a steady rise recently in the capital's kitchen markets while that of staple rice and edible oil remain steady. Similarly prices of eggs and some varieties of fish have also gone up. Flash floods and waterlogging in the aftermath of Cyclone Komen have flooded croplands in a third of the districts in the country. That coupled with torrential rains have adversely affected about a fifth of the 87,000 hectares of vegetable fields in 30 districts, including Jessore, Jhenedah, Comilla, Narsingi, Meherpur and Kushtia.

Although bad weather conditions are partly to blame for a crunch in the supply chain, we are left wondering how prices of eggs, lentils and onions have shot up to this level, as these come from regions relatively unaffected by recent floods. Needless to say, consumers other than the upper class are feeling the pinch to the fullest.

Although we appreciate the challenges faced by traders involved in the supply chain of vegetables to the capital city, it is difficult to imagine how prices of most vegetables can soar by more than 15 to 20 per cent in the span of a week. It is obvious a section of traders and vendors are taking advantage of the excuse of bad weather to push up prices. Manipulating supply is one malpractice that has become a mainstay of the syndicates involved in artificial price fixing. Authorities need to devise an effective market price monitoring mechanism to prevent consumers from being short-changed.

Fines and jail term are ad hoc measures

Get rid of unfit vehicles

THE Jatiya Sangsad committee on home affairs formed a sub-committee to find solutions to the capital's appalling traffic situation. The three-member committee, led by ruling Awami League MP Abu Sayeed Al Mahmud, has been asked to submit recommendations before the parliamentary body within three months. Meanwhile, the BRTA, following an HC order to stop the plying of all unfit vehicles, fined drivers and owners of several vehicles up to Tk 65,000 for not having licences and proper documents. In addition, eight drivers were jailed, for seven days to one month for driving without a licence, according to an official of the BRTA.

While it's heartening to see that the HC order is having an effect but we think that penalising drivers and owners of vehicles is not the right course of action when freeing roads of them is aimed for. Actions of the BRTA seem to be incompatible with the spirit of the HC directive that clearly reflects the urgency of removing unfit vehicles from the streets.

In fact, short-term measures can perpetuate the practice of resorting to fake licences and allowing dilapidated vehicles to ply on the streets. As such, steps must be taken to root out the causes behind issuance of fake licences. Moreover, an effective system of identifying and categorising unfit vehicles must be put in place, if we are to truly rid the streets of these ill-maintained vehicles and preserve public safety.

COMMENTS

"Happy reunion of mother, child"

(August 6, 2015)

▼
Riasat Onik

May Allah bless her and her mother. Thanks a lot to the doctors... feeling proud.

▼
Aleha Lucy

Feeling really good to see the picture of the baby smiling at last. Thanks to all the doctors who tried their best to save both the mother and baby.

▼
Apu Chandra Shil

First of all, thanks to these doctors who tried so hard to keep the mother and the child alive. I urge the government to take immediate action against the culprits.

"Boy beaten dead in Barguna, 1 held"

(August 5, 2015)

▼
LoneRunner LR

What is happening in Bangladesh? Everyday we read about the torture, beating, death of children. I am a foreigner and I visited here 6 times already! But reading these stories seriously discourages me from coming here again!

▼
Samia Khan

We are a horrible uneducated nation. Shame on us.

"IT'S ABOUT POVERTY, STUPID!"

A war-cry for sustainable development goals

DR. ABDULLAH SHIBLI

DURING the 1992 presidential campaign in the USA, candidate Bill Clinton's campaign adopted a very powerful short message to convey to the party faithfuls and voters that the poor performance of the US economy should be the centerpiece of any conversation to unseat the incumbent President George Bush. Thus the slogan, "It's the economy, stupid!" became the rallying cry that led to the victory of Clinton over Bush. A powerful phrase can often galvanise the forces of change and also keep the focus of any national or international movement on target. Unfortunately, world leaders who gathered at month's UN "Financing for Development" (FFD) conference in Addis Ababa failed to agree on a common platform to raise funds, and left up in the air for future meetings any financing mechanism for the Sustainable Development Goals (SDG) programme. As the group deliberates over the next few weeks before they launch the SDG in September, it may not be too far-fetched to ask them to embrace "poverty eradication" as the most important goal for humanity in the coming decades, and put strategies to eliminate poverty at the forefront of their discussions and negotiations.

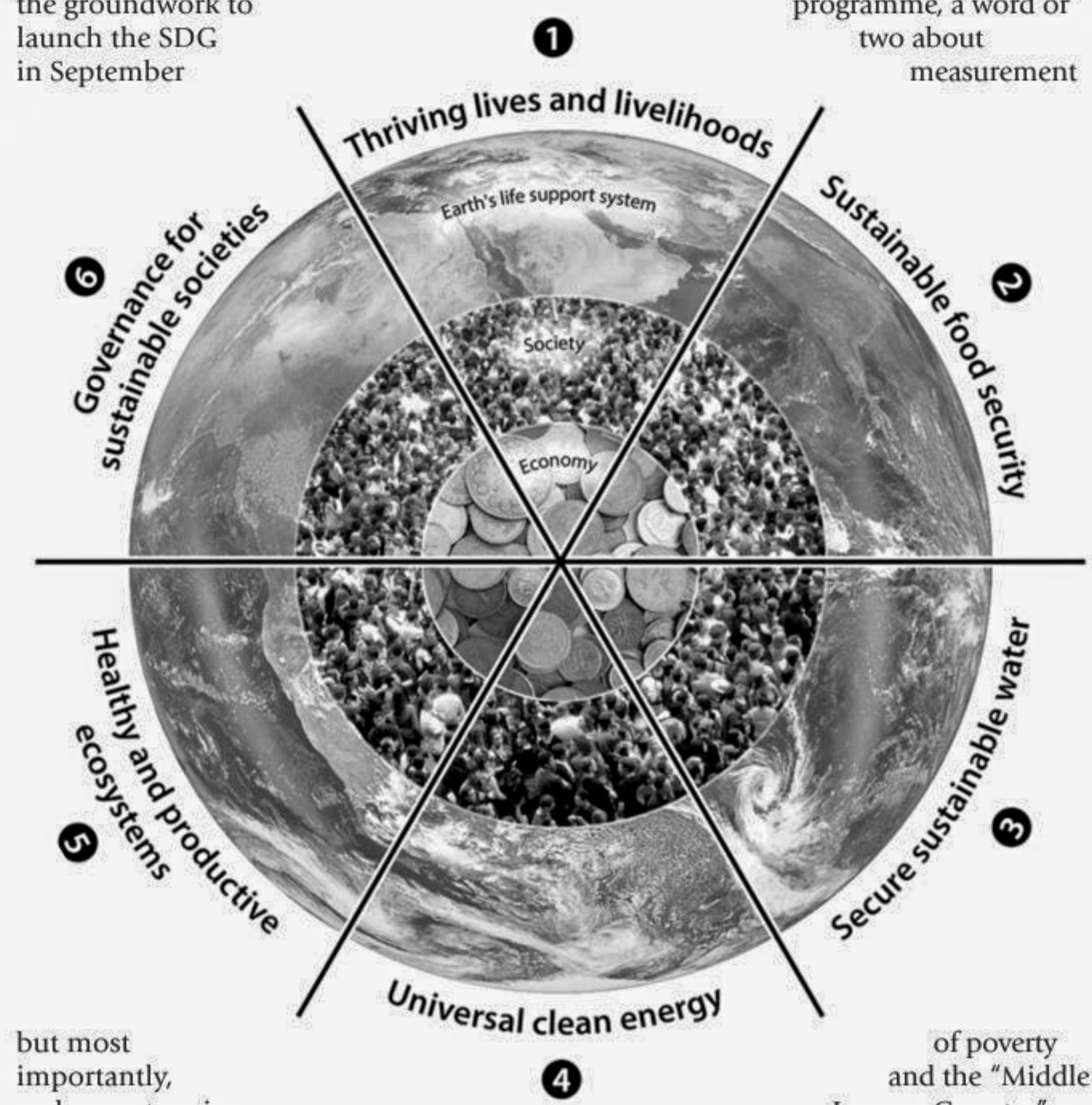
Why bring up the long-discussed mantra of poverty elimination once again as we struggle with many other important issues that are currently plaguing the world? First of all, even as the world media and political leaders grapple with the Greek crisis, climate change, and sluggish growth in the world economy, let us not forget that it is the poor of the developing countries who bear the brunt of the world's most persistent and dehumanising calamity of all - poverty. Secondly, as many Least Developed Countries, including Bangladesh celebrate the achievement of Middle Income status (or Lower Middle Income status), it cannot be gainsaid that the status of the poor and extremely poor remains the same: hunger, deprivation, and constant economic and physical struggle. Thirdly, the fight against poverty should be a never-ending battle. We can pull one poverty-stricken family out of poverty, but

if another family takes its place in the queue, we need to keep working and nothing else should get us distracted.

In this context, it is heartening to note that the summit at Addis Ababa, capital of Ethiopia, will be attended by United Nations Secretary General Ban Ki Moon and World Bank's President, Jim Yong Kim. However, only eighteen heads of state, mostly from developing countries, will be participating at the meeting which is supposed to lay down the groundwork to launch the SDG in September

participants will address the challenge of getting the most bang for the buck in terms of poverty reduction. After all, if \$172.5 trillion cannot meaningfully eliminate poverty, or even extreme poverty within the 15-year framework, i.e. by 2030, the ghost of another US Presidential slogan from 1984 ("Where's the beef") might come back to haunt the rest of the world.

As the august gathering in Addis debate the sources of funding the programme, a word or two about measurement



but most importantly, seek ways to raise \$172.5tn over the 15-year timeframe needed to finance the seventeen targets. And then, there is the question of priorities among the developing as well as developed countries. There are many competing and divergent goals: poverty elimination, environment, gender equality, and social inclusion. One can only hope that during the discussion on the means to finance the seventeen goals, the

of poverty and the "Middle Income Country" label might not be out of order here. When we celebrate following the success of any poverty-elimination programme, we need to ask: "How do we measure poverty?" Whether we take \$2 or \$4 as the threshold, official or statistical measures can give very different answers depending on how we count and whom we count. I will just offer a simple example that I often use to convey to my students how

statistical measures can be deceptive. Suppose, the population of Portlandia is five, and they each earn \$1 a year, in 2014. The per capita income of Portlandia is \$1, and if the poverty limit is \$2, we have a 100 percent poverty rate. In the following year, one of the five increases his earnings to \$10 and the rest of the population stay at \$1. The per capita income jumps to \$2.8 in 2015 and the poverty rate decreases to 0. But as we can see, the majority of the population of Portlandia remains poor. Let us take another example. If in the year 2016, incomes of three workers drop to 50 cents each, but the incomes of the two others are 3.5 and 6. Per capita income is \$2.1 but the poverty rate is still 0. In fact, the number of poor has dropped from 2015 to 2016, but the three who now eke out a living at 50 cents, have become extremely poor. What's the moral of this story? One needs to very carefully select the statistical measure, and be aware of its limitation, when we count the poor.

Finally, as Bangladesh and a few other countries move up the ladder and attain Lower Middle Income Country status, how does this affect the poor? Not much, according to a new study by the prestigious Pew Research Center, a global think-tank based in the USA. As our average income crosses the \$1,045 threshold, this growth in income could be consistent with a worsening of income equality and increase in the number of poor, or even the poverty gap. The study uses the \$2 poverty line. This is done in anticipation of the change of World Bank's global standard for extreme poverty, now at \$1.25, which is expected to move close to \$2 when it incorporates 2011 purchasing power parities (PPP), rather than the 2005 PPP currently in use.

While I am not advocating that negotiations over SDG goals and financing focus exclusively on eliminating poverty, it provides a great opportunity to realign our direction and reaffirm our commitment to the betterment of the condition of the poorest segment of the world's population.

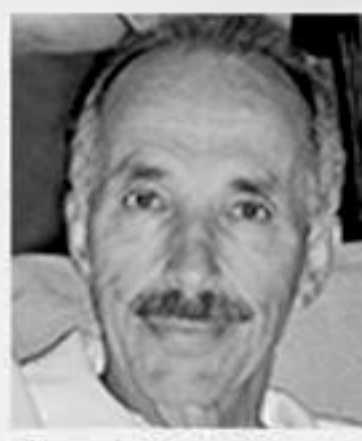
The writer is an economist who writes on international economic and policy issues.

PROJECT SYNDICATE

How China is winning Southeast Asia



THE ASIAN CENTURY SERIES



KENT HARRINGTON

WITH preparations for Chinese President Xi Jinping's September visit to Washington, DC, underway, officials in both countries are predictably playing down their differences over China's outsize territorial claims, backed by the construction of military facilities on previously uninhabited islands and atolls, in the South China Sea. And this diplomatic de-escalation, following months of recriminations and veiled threats, suits Southeast Asian leaders just fine.

Of course, no one in Southeast Asia is ignoring China's strategic designs. The region's defense spending has increased by more than 50 percent in the last decade, and some \$60 billion has been earmarked for new weapons, especially naval hardware, over the next five years. The white paper on military strategy that China released in May, which touted plans to expand the country's defense perimeter, intensified neighbours' concerns, making even more military spending likely. Leaders in the region are now welcoming a stream of US military officials and defense manufacturers to see what America's Asian "pivot" has to offer.

Beyond new frigates and security guarantees, however, Southeast Asian leaders have refrained from reacting too strongly to China's offshore ambitions. The economic facts on the ground demand prudence.

In only two decades, China has become Southeast Asian countries' leading economic partner, boosting its influence throughout the region. Chinese leaders' constant effort to expand economic cooperation stands in stark contrast to America's approach to the region.

Consider trade. Since 2000, bilateral trade between China and the ten members of the Association of Southeast Asian Nations has grown tenfold, from \$32 billion to \$350 billion last year, and could reach \$500 billion in 2015. As China has risen to become Southeast Asia's largest trading partner, the US has slipped to fourth place, with only \$206 billion in total trade with ASEAN last year.

Given Southeast Asia's growing economic importance, the implications of this trend could not be weightier. The ASEAN countries' combined annual GDP is already \$2.4 trillion and growing fast, owing to their rapidly expanding middle class, highly skilled workers, and increasingly upscale markets. If the current trend holds, China's trade with ASEAN could reach \$1 trillion by 2020.

The picture for direct investment – the financial flows that support the construction of factories, offices, warehouses, mines, and farms – is equally striking. From 1995 to 2003, Chinese companies invested a mere \$631 million in ASEAN countries; in 2013, they invested \$30 billion. Though China remains well behind Japan, Europe, and the US on this front, it certainly has the potential to catch up, as Chinese private-equity firms increasingly look abroad. Indeed, from agriculture to information technology, the Chinese are diversifying their stakes across the region and embedding their companies in ASEAN's advanced and frontier economies.

China's Southeast Asian partners cannot afford to ignore these efforts. That is one reason why all ten ASEAN countries signed on as founding members of the China-led Asian Infrastructure Investment Bank, despite US opposition. China, which has pledged \$100 billion in initial investment, has positioned the AIIB as a rival to the US-dominated World Bank, promising to help Asian countries meet their extensive infrastructure needs.

Clearly, when it comes to its role in Asia, China is thinking big. And there is more. At last year's Asia-Pacific Economic Cooperation (APEC) meeting, regional leaders agreed to begin work toward possible adoption of a Chinese-backed free-trade pact – one that is clearly meant to push back against US President Barack Obama's Trans-Pacific Partnership, which excludes China.

Whether or not Xi realises his free-trade ambition, there is no denying China's commitment to deepening its economic ties in Asia and beyond. The country has pledged some \$60 billion to its "One Belt, One Road" initiative, which entails the construction of a Silk Road Economic Belt running through Central Asia, and a Maritime Silk Road connecting China to Southeast Asia, the Indian Ocean, the Middle East, and eventually Europe. The US, meanwhile, is struggling to cobble together a domestic consensus on trade.

To be sure, China has had its setbacks, too. Cancelled railway and hydroelectric projects in Myanmar, and riots in Vietnam over China's move to drill for oil in disputed waters, reflect the backlash that the country's resource hunger can generate. But China is also certain to learn from its mistakes, and its leaders have a clear vision of where to place their long-term economic bets.

At a time when partisan divisions are undermining America's economic leadership, China's growing influence in Southeast Asia should raise a question: If push comes to shove in the South China Sea, will the US find allies in its corner, or will they just be holding Uncle Sam's coat?

The writer, a former senior CIA analyst, has served as National Intelligence Officer for East Asia, Chief of Station in Asia, and the CIA's Director of Public Affairs. Copyright: Project Syndicate, 2015. www.project-syndicate.org

(Exclusive to The Daily Star)