

High capital flight outwards

Arrest the dangerous trend

ACCORDING to the report titled "Illegal Financial Flows from Developing Countries: 2004-2013" published by Global Financial Integrity (GFI), the country witnessed illegal flight of capital to the tune of \$9.66 billion in 2013. To put matters into perspective, that figure is three times the amount of foreign direct investment (FDI) Bangladesh has received in the last so many years. Although political turmoil and uncertainty during 2013 is partly to blame for such massive outflow of capital, it also an indicator of how widespread the problem is of illicit channels being used in Bangladesh to send monies abroad. A large portion of this illegal outflow comes from mis-invoicing while the rest simply cannot be traced.

With the country scoring 26 out of 149 nations covered in the study and recording an increase of more than 33 percent for illegal flight capital in 2013 over 2012, the time has come to take stock of the situation. Unless this is tackled, the trend can only grow from year to year, and it is taking a significant toll on the national economy. The sticky issue of graft has to be tackled head on. It's necessary to make an example of those involved in this racket to dissuade others from this dangerous practice. Better detection management tools are needed by the two major institutions, i.e. National Board of Revenue and Bangladesh Bank to upgrade their capacity to detect and deter capital flight and that can only happen if the political will exists.

Women ignored by two major parties

So much for women's political participation!

IT is one of the greatest ironies that the two major parties of the country, both of which are headed by women, should be so apathetic when it comes to including women in local government. This is evident from the measly number of mayoral nominations given out by the two parties. Out of the 234 mayoral posts the ruling Awami League nominated only 7 women while the BNP only one woman for the upcoming December 30 municipality polls. As for all the other parties, not a single one had nominated a female candidate.

Such blatant gender discrimination is jarring in the wake of tall talks by the two major parties, especially, regarding women's empowerment. The excuse that women candidates were not chosen because they do not enjoy the same level of popularity as the nominated male candidates is not acceptable. It is the responsibility of each political party to groom and evaluate women leaders at the grassroots level so that they can actively be part of the local government elections. The most important benchmark of women's empowerment is their increased political participation. By excluding women from contesting the polls, these parties have shown their prejudice against women in the political arena.

And added to that the EC's issuing of stereotyped electoral symbols for women candidates, such as gas stove, doll and frock, reinforce the chauvinistic political environment that women with political aspirations have to contend with. It is a shame that the major parties have echoed such sexism in the way they have chosen to ignore women in the local government elections.

COMMENTS

"Jafong Ravaged" (December 7, 2015)

Pial Ahmed

Jafong, once a popular tourist destination with its beautiful nature, is under threat because of people's greed. So unfortunate!

Koli

A section of immoral businessmen is ruining the pristine beauty of Jafong.

Hajera

I visited Jafong last week. Believe me, now it looks more like a quarry than a tourist spot. Extremely noisy crushers, shouting labourers and heavy machines have robbed the beauty of Jafong.

Asma Abedin

We, Bangladeshis, ourselves are destroying our country. The day is not too far when there will be no green or beautiful places left for us.

"Police move vexes people" (December 6, 2015)

Momtaz

Without any prior announcement, the police suddenly come up with some dubious forms and start asking people for their personal information. People have every reason to be vexed.

Jannat Rahman

In developed countries, law enforcers maintain a citizen database but in our country, the context is different. People are under the impression that police often harass people.

Tomal

Now some members of the police will have the scope of disclosing our personal information to others in exchange of bribe.

Time for our fathers to come home



CROSS
TALK

MOHAMMAD
BADRUL AHSAN

A holiday commercial for a supermarket chain has triggered an emotional rollercoaster in Germany. It opens to a scene of an elderly man receiving a message from his

daughter that she and her family won't be visiting him this Christmas. The ad then cuts to the man eating dinner alone before he pulls a desperate prank on his children: he fakes his own death. The children arrive at their father's house, shocked and relieved at once to find him alive. The man confesses he couldn't have brought them together if he hadn't lied. The children agree and then the words "Zeit heimzukommen," appear on the screen. In English, those words mean "Time to come home."

The story behind the story is the real story: Germany has one of the world's oldest populations and they experience loneliness. About 20 percent of retirees over 70 stay in touch with either no one or only one person. One in four Germans that age is visited less than once a month by relatives. The government has launched programmes in which social workers visit retirees to comfort them. For many of these elderly people, death is a relief.

Different people inhabit different worlds. The percentage of Germans below 15 years of age is forecast to fall to 13 percent, among the world's lowest. The share of those over 60 is expected to rise from 27 percent to 39 percent. In contrast, the share of those over 65 in Bangladesh is 5 percent and of those over 55 is 10.9 percent. Almost 19 percent of the population is aged 15-24 and over 32 percent is aged 0-14.

Comparing the demographic profile of Bangladesh to that of Germany is like comparing a nursery to a dying garden. Youth make up more than half the population in Bangladesh, while aging threatens to diminish the already dwindling German population by 10 percent in the next 45 years. Germany's deficit is our surplus.

That gives a perspective on life. So



Are we utilising the full potential of our youth?

PHOTO: STAR

much of youth flows in our streets and homes, much of it spilling into the din and bustle of daily drudge. So much of it is wasted in idle squabbles, drug addiction, loitering, political showdowns, gang fights, pursuit of petty crimes, and useless motions and commotions. One country's treasure is another country's trash.

What we have in abundance is scarce in Germany, but the principle of

comparative advantage doesn't apply. Trade allows specialisation based on comparative advantage, enabling each country to consume more than it produces. While Germany is seriously failing to cultivate youth, we are wasting it like fruits grown in the wilderness.

In this country, youth is being destroyed with a vengeance. Last week families gathered in the capital, seeking

PROJECT ■ SYNDICATE

When inequality kills



BUSINESS
&
FINANCE

JOSEPH E. STIGLITZ

This week, Angus Deaton will receive the Nobel Memorial Prize in Economics "for his analysis of consumption, poverty, and welfare." Deservedly so. Indeed, soon after the award was announced in October, Deaton published some startling work with Ann Case in the Proceedings of the National Academy of Sciences – research

that is at least as newsworthy as the Nobel ceremony.

Analysing a vast amount of data about health and deaths among Americans, Case and Deaton showed declining life expectancy and health for middle-aged white Americans, especially those with a high school education or less. Among the causes were suicide, drugs, and alcoholism.

America prides itself on being one of the world's most prosperous countries, and can boast that in every recent year except one (2009) per capita GDP has increased. And a sign of prosperity is supposed to be good health and longevity. But, while the US spends more money per capita on medical care than almost any other country (and more as a percentage of GDP), it is far from topping the world in life expectancy. France, for example, spends less than 12 percent of its GDP on medical care, compared to 17 percent in the US. Yet Americans can expect to live three full years less than the French.

For years, many Americans explained away this gap. The US is a more heterogeneous society, they argued, and the gap supposedly reflected the huge difference in average life expectancy between African Americans and white Americans.

The racial gap in health is, of course, all too real. According to a study published in 2014, life expectancy for African Americans is some four years lower for women and more than five years lower for men, relative to whites. This disparity, however, is hardly just an innocuous result of a more heterogeneous society. It is a symptom of America's disgrace: pervasive discrimination against African Americans, reflected in median household income that is less than 60 percent that of white households. The effects of lower income are exacerbated by the fact that the US is the only advanced country not to recognise access to health care as a basic right.

Some white Americans, however, have attempted to

shift the blame for dying younger to African Americans themselves, citing their "lifestyles". It is perhaps true that unhealthy habits are more concentrated among poor Americans, a disproportionate number of whom are black. But these habits themselves are a consequence of economic conditions, not to mention the stresses of racism.

The Case-Deaton results show that such theories will no longer do. America is becoming a more divided society – divided not only between whites and African Americans, but also between the 1 percent and the rest, and between the highly educated and the less educated, regardless of race. And the gap can now be

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measured not just in wages, but also in early deaths. White Americans, too, are dying earlier as their incomes decline.

This evidence is hardly a shock to those of us studying inequality in America. The median income of a full-time male employee is lower than it was 40 years ago. Wages of male high school graduates have plummeted by some 19 percent in the period studied by Case and Deaton.

To stay above water, many Americans borrowed from banks at usurious interest rates. In 2005, President George W. Bush's administration made it far

more difficult for households to declare bankruptcy and write off debt. Then came the financial crisis, which cost millions of Americans their jobs and homes. When unemployment insurance, designed for short-term bouts of joblessness in a full-employment world, ran out, they were left to fend for themselves, with no safety net (beyond food stamps), while the government bailed out the banks that had caused the crisis.

The basic perquisites of a middle-class life were increasingly beyond the reach of a growing share of Americans. The Great Recession had shown their vulnerability. Those who had invested in the stock market saw much of their wealth wiped out; those who had put their money in safe government bonds saw retirement income diminish to near zero, as the Fed relentlessly drove down both short- and long-term interest rates. With college tuition soaring, the only way their children could get the education that would provide a modicum of hope was to borrow; but, with education loans virtually never dischargeable, student debt seemed even worse than other forms of debt.

There was no way that this mounting financial pressure could not have placed middle-class Americans and their families under greater stress. And it is not surprising that this has been reflected in higher rates of drug abuse, alcoholism, and suicide.

I was chief economist of the World Bank in the late 1990s, when we began to receive similarly depressing news from Russia. Our data showed that GDP had fallen some 30 percent since the collapse of the Soviet Union. But we weren't confident in our measurements. Data showing that male life expectancy was declining, even as it was increasing in the rest of the world, confirmed the impression that things were not going very well in Russia, especially outside of the major cities.

The international Commission on the Measurement of Economic Performance and Social Progress, which I co-chaired and on which Deaton served, had earlier emphasised that GDP often is not a good measure of a society's wellbeing. These new data on white Americans' declining health status confirms this conclusion. The world's quintessential middle-class society is on the way to becoming its first former middle-class society.

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LETTERS TO THE EDITOR

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Money embezzled by bank officials!

The report titled "BB exposes complaints against banks," published in *The Daily Star's* Business page on November 30, 2015, revealed the despicable act of a bank's Sylhet branch officials who along with the branch manager embezzled Tk. 3.05 crore sanctioned to a local businessman by the bank as loan. When the man went to the bank to withdraw the said amount, he came to know that the money was already withdrawn

by others. He then lodged a complaint with the Sylhet branch of the Bangladesh Bank. The matter was investigated by the BB and the truth was found out.

We would like to see the names and photographs of those involved published in the newspapers for public interest. These culprits should be given the maximum punishment as permissible by our law.

A bank customer
On e-mail

For a better world

• Kudos to Mark Zuckerberg and Priscilla Chan for their pledge of giving 99 percent of their Facebook shares, currently worth around \$ 45 billion, to charitable purposes for making a better world for their daughter's generation. Microsoft founder Bill Gates has already committed to give away at least 95 percent of his wealth to charities. This should be a lesson for those who shamelessly show off their riches by spending an astronomical sum of



money in marriage ceremonies and parties.
Sujit De
Kolkata, India