

The end of Dhaka's innocence

ANUSHAY HOSSAIN

WHEN I was growing up in Dhaka in the 1980s, I always wanted to live in the part of town called Gulshan. In my seven year old mind, Gulshan was the centre of the universe. My family lived in an older (and not nearly as 'hip') part of Dhaka city, and the fact that they had no intention of ever moving from my paternal grandparents' home was made extremely clear to me from a very young age by my parents.

I was born and raised in Dhaka, but even as the city changed as I grew up, Gulshan remained the glamorous and unattainable part of town in my imagination. Framed by its famous deep emerald Gulshan Lake, this was the part of Dhaka that always housed a big chunk of foreign embassies, the best restaurants and cafes, the most luxurious apartments and homes, and countless aid organisation offices.

It is unreal to see the Gulshan of my youth thrown into the global spotlight after the evening of July 1, when the upscale Holey Artisan Bakery in the area became the sight of a siege that left twenty hostages dead, including 18 foreign nationals, in an attack unlike anything the country has ever seen.

Gulshan is not a blocked out area like the Green Zone in Iraq where foreigners and diplomats live and work totally segregated from the largely local population. Because the aid community in the country is large, especially in the capital, Gulshan is the centre of the city,

for locals, foreigners and diplomats alike. This was almost certainly a factor in why the attackers chose their target, the upscale Holey Artisan Bakery frequented by foreigners and affluent locals.

"Please pray for the departed and their families, and our staff who lived through the nightmare," Ali Arsalan, one of the co-owners of Holey, and a long-time family friend, wrote on his personal Facebook page. "What happened there is a terrible tragedy and we are shocked to the core. I never thought something created with so much love and a place where there was so much warmth and happiness, would be turned upside down like this. It is difficult to find today the strength to even think of carrying on."

Overnight, it seems that Bangladesh has gone from the poster-child of development success stories and one of the rare Muslim democracies to the world's next terror-afflicted state. But the history of this tiny nation on the east of India is critical to understanding why Dhaka is not another Karachi or Kabul.

Bangladesh is a country that has a long history and tradition of pluralism, and we have always treasured our secular culture over a religious identity. This was a key stipulation over why post-India's Partition in 1947, Bangladesh did not want to be East Pakistan.

Bangladesh paid for choosing her secular identity over an Islamic one in 1971 during our Liberation War against Pakistan when over three million Bangladeshis died, over 400,000 Bangladeshi women and girls were raped and tortured, and a massive refugee



PAINTING: SHAHANOOR MAMUN

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crisis spilled onto neighbouring India. Today in 2016, I cannot help but wonder what the men and women who died for a free Bangladesh, our freedom fighters, would have thought about the undeniable elements of our society that want to see Bangladesh abandon her secular identity for a religious one.

Even though friends and family back home in Bangladesh, especially the family members of the victims, are going through unimaginable horror and pain, Bangladeshis around the world mourn with our countrymen.

Far away in the US, the days since the attack, I feel as though I am attending a never ending funeral, and in many ways, I am,

Along with my country, I am mourning the death of the Dhaka I grew up in. I am mourning the death of the Gulshan I knew and loved and would have given anything to have lived in as a kid.

We can no longer deny that something is rotten in Dhaka, and for all the years we buried our face in the ground, and looked the other way as bloggers were slaughtered in our public spaces, there is no more hiding from the fact that a cancer has infiltrated even the most affluent, young and educated minds of Bangladeshi society.

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I believe in the spirit of the hashtag #DhakaStrong. I know Dhaka is strong. Look at everything we have survived, from famines to cyclones to floods to coups to wars. But we are also at a cross-road. Forty-five years after our bloody independence war, Bangladesh once again has to choose who she is and more importantly, who she wants to be.

In 1971, secularism won. Which direction will the country choose today?

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The tyranny of cost-benefit analysis

ABDULLAH SHIBLI

COST-benefit analysis (CBA) is a powerful tool used in business decision making and economic modelling. However, its limitations are also well-known. The most important drawbacks of CBA are: the benefits and costs of a project are sometimes difficult to capture in monetary terms; and most infrastructure projects last into the future and this necessitates tricky calibrations with discount rates, and projections of price and socio-economic variables during a project's lifespan. When economists hand over their findings from CBA to politicians, it is important to be upfront about the "ifs and buts" of the analysis, and to caution the user of the dangers of making sweeping statements about the superiority of alternative technologies or policy options.

In recent weeks, I have followed with interest the conversation on the off-grid electricity generation between Dr. Bjorn Lomborg of Copenhagen Consensus and Prof. Sebastian Groh of IUB, Bangladesh. Since the issue is important, relevant, and current, I would like to offer my take on the results of CBA applied to solar cells and diesel generation, and the conclusions one can draw from the calculations done by the researchers at East-West University.

At the outset, Dr. Lomborg's series on Bangladesh's priorities is laudable, and his attempts to raise the current discussion to a more analytical level, using CBA in the mix, to come up with measures to accelerate welfare and growth in Bangladesh is very encouraging. I will mention three policy discussions in particular, where he has used results based on CBA to make drastic changes to our current policies: poverty alleviation, electricity for the non-grid households, and RMG strategies. Here, I will

limit my observations to Dr. Lomborg's comments on the solar vs. diesel controversy, simply because I was only able to access the cost-benefit study entitled "Benefits of Lighting-A Cost Benefit Analysis on Distributed Solar Home Systems" done by Prof. A.K. Enamul Haque of East-West University, on which the former's comments are based.

In "Bringing electricity to more Bangladeshis", published on May 25, 2016, Dr. Lomborg advocates switching from solar panels to diesel. There are three areas of weaknesses that I will point out after a thorough review of the article in *The Daily Star*, the research paper by Prof. Haque, and my email exchanges with Prof. Enamul Haque and Dr. Lomborg's office.

What caught my attention was a couple of aspects of Dr. Lomborg's key proposition, "better to go for diesel than solar," and the certainty with which he was offering the suggestion. I delved into the research conducted by Haque. The cost of diesel-powered electricity is reported to be Tk. 1.84, whereas the cost of solar is Tk. 4.56. Since the latter is expensive, he drew two conclusions: abandon solar in favour of diesel and; if diesel generators are used, more people will get power for the same investment.

First of all, there are some errors of calculation in Haque's paper. The paper assumes that the rural off-grid power users form a team of five members and purchase a 200 kVA diesel generator (DG). To quote, "While most of the SHS (solar home system) units are of 40 Wp (Watt Peak), the generator is of 200 KVA. Therefore, we assumed that electricity from a generator is shared among five neighbouring households". Based on the utilisation of this DG unit for four hours a day, I calculated the cost of 1 kWh of

electricity, which according to my calculations, is much higher than the Tk. 1.84 per kWh cited by Prof. Haque and Dr. Lomborg.

I wrote to Dr. Lomborg, pointing out that the calculations in Haque's paper left out the cost of diesel in operating a diesel generator. In his response, I was informed that any reference to a 200 KVA generator "must have been a mistake".

In the email response forwarded by Dr. Lomborg's office, Prof. Haque indicates that he is using a fixed value for the cost of electricity in his calculations: \$.10989 per kWh. And I quote:

"100 watt power generator for 4 hours a day = 100/1000*4hour/day=.4 kWh (kilowatt hour)

For Cost is .4 x \$.10989 = 0.043956 \$ x 78 taka per dollar = 3.42 taka variable costs + 20% maintenance cost = 4.10 taka per generator * 15 percent allowances for fixed investment is approx 5.00 taka approx per generator. Sharing this between five households means average cost is about 0.92 taka per household has been used for the analysis."

The assumptions behind this calculation are questionable and need further examination. First of all, the methodology adopted by Prof. Haque's research team, particularly using cost of electricity as a fixed coefficient at 10 cents per kWh, raises some important questions. Is that applicable in the case of power generation for Bangladesh using diesel fuel? What is the source of this cost calculation?

I used the numbers in Haque's study, i.e. cost of an engine of Tk. 15,000 and the annual O&M of Tk. 3,000 (or 20 percent). That works out to be Tk.10 per day to run the unit. However, the cost of operating the 200 KVA generator was considered to be 1 litre

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per hour, costing Tk. 136 for two hours. Again, the cost of power generation by DG sharply contrasts the research findings of the paper.

Secondly, another important lacuna of the research and the CBA is the assumption of constant prices over the next 20 years, the lifetime of the projects. In response to my query, Prof. Haque wrote to me, "Prices are measured in constant taka for all options." The most important variable is the prices of diesel (and solar panels and batteries), and according to one report, "98 percent of the total running cost of electricity generation using DG is the cost of fuel." Being so, the assumed price of diesel in Bangladesh can change, and it would have been appropriate for the research team to conduct a

"sensitivity analysis" using some likely price scenarios.

In this context, I quote from a recent paper by Profs. J. Doyne Farmer of Oxford University and Francoise Lafond of the United Nations University, Maastricht, titled, "How predictable is technological progress." They use Moore's Law on technological improvements such as solar technology, and strongly advocate using distributional forecasts, i.e., estimating the likelihood of different future outcomes. Their work casts doubts on the methodology adopted by Haque and Lomborg in their forecasts. To quote, "Point forecasts are of limited value unless they are very accurate, and when uncertainties are large they can even be dangerous if they are taken too seriously."

Thirdly, what are the chances that the price of diesel will remain Tk. 68 for the next 20 years? Very slim, indeed! According to projections made by the Energy Information Administration (EIA), a US government agency, crude oil prices are expected to increase by 30 percent even under the "low oil price" scenario". In contrast, the cost of a Watt of solar photovoltaic capacity has been dropping exponentially, and since 1980, has decreased by 10 percent annually. Solairedirect, France's second largest solar power company, offered to supply solar power to India's national power grid at Rs. 7.49 (US\$0.14) per unit (kWh). This rate is now better than the average cost of power generated by diesel generators, which is about Rs. 13 (US\$0.25) per unit.

In conclusion, the moral of the story is, one needs to look at numbers very closely, both in the calculations done by Haque's team and research in India and elsewhere before making sweeping generalisations.

The writer is an economist and writes on public policy issues.

QUOTABLE Quote

NIKOLA TESLA

The scientists of today think deeply instead of clearly. One must be sane to think clearly, but one can think deeply and be quite insane.

CROSSWORD BY THOMAS JOSEPH

ACROSS

- Float on the breeze
- Uncommon
- Ladd of "Shane"
- "Divergent" hero
- Suit piece
- Blows one's top
- So far
- Witty remark
- Ice skate part
- Program error
- Garfield's middle name
- Statue subject
- Folksinger Joan
- Owner's document
- Donkey sounds
- Sows' mates
- Demand
- Idiosyncrasy
- Craze
- Lasagna and linguine
- Tortoise's rival
- Run out
- Cruise stop
- Closer
- Word on an octagon

DOWN

- Undulating
- Out of the wind
- Basketball ploy
- Blasting stuff
- Spirited horse
- Old undergarment
- Border on
- Tear
- Burmese, for one
- Curvy letter
- Toast spread
- Slothful
- Early eats
- Manual reader
- Olympus group
- "Fernando" group
- Cell feature
- Stench
- Town center
- Sizeable
- Big name in racing
- Recipe instruction
- Singer Guthrie
- Profound
- 38 Confal
- Chopping tool
- Workout spot
- Towel word

YESTERDAY'S ANSWER

L	A	U	D	S	T	A	T	E		
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BABY BLUES by Kirkman & Scott