FOUNDER EDITOR LATE S. M. ALI

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2000 pillars in the wrong place on Dhaka Rivers

Bring the culprits to book

T E are deeply disturbed by the news published in this paper yesterday, according to which as many as 2,000 demarcation pillars on the Buriganga and the Turag were installed inside the river. As a result, land grabbers have feasted on a whopping 2,500 acres worth of landmass of four major rivers that surrounded the capital and its adjoining areas, causing great environmental damage.

However, we are not surprised. Rivers have long been the soft targets of the land grabbers who flex the proverbial power of money and muscle to carry on their despicable acts in connivance with some unscrupulous government officials to strangulate the city itself. Both the Buriganga and Turag have turned into a skeleton of their previous self.

It had been seven years since the High Court had passed a historic ruling, which directed the government to demarcate boundaries of major rivers and stop illegal encroachment. What we have witnessed since then is a string of expensive eviction drives san active monitoring. As soon as they end, the encroachers come back with sand filling equipments and go on with their diabolical work at full throttle.

We are heartened to learn that the Shipping Minister has directed the agencies concerned to move the pillars to where they should have been erected in the first place. We believe that this needs to be followed by stringent and active monitoring. Roads and walkways ought to be built alongside the river to deter future encroachment. It is also time the ministry concerned hold the officials accountable whose negligence and complicity have put the very existence of our rivers under such grievous threat.

Tigers tame the Lions

An inspiring performance

TE want to heartily congratulate the Tigers, particularly Mashrafe Bin Mortaza, for leading from the front, in helping Bangladesh clutch a well deserved victory against England, in their 2nd One Day International match on Sunday. Not only was Mashrafe's batting and bowling key to Bangladesh's victory, but the way he wore his heart on his sleeve; fighting tooth and nail every minute to turn the tide back in Bangladesh's favour, especially when things looked bleak, was, indeed, heartening to watch.

Mashrafe must also be credited for his strategic brilliance in having Shakib Al Hasan open the bowling for Bangladesh. The spin maestro proved more than a handful for the English top order, setting the tone for the rest of England's batting innings where, chasing a gettable total, England eventually fell well short of their target in the face of relentless pressure from the Bangladesh side. After their heartbreaking defeat in the 1st ODI, the way Bangladesh fought back to win the match must be lauded. And it goes without saying also, that the entire nation wants the Bangladesh team to make winning a habit, rather than a one off. To that end, the top order batsmen must perform better than they did in the last match, where it was the bowlers at the tail-end who performed better with the bat.

Most importantly, however, win, lose or draw, as long as the players put in the effort and show the determination that they did against England, victory will, in one form or another, surely be ours.

LETTERS TO THE EDITOR

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We must be cautious of nuclear waste

Recent news updates have reported that Russia, who will supply, install and operate the proposed nuclear power plant in Rooppur (Pabna), has disagreed to handle spent-fuel, i.e. nuclear radioactive active waste. This waste management needs very special and expert handling as per international safety measures. Bangladesh doesn't have the trained expertise in the field as yet.

We should bear in mind that nuclear waste disposal is more risky/dangerous than installation of the nuclear plant itself. Stringent safety precautions should be the topmost priority to prevent any accidents leading to nuclear radiation fall-out. We urge the concerned authorities to arrange for the disposal of nuclear waste to be carried in internationally regulated carriers.

Sirajul Islam, Retd.

Resident Manager, Padma Oil Co. Ltd.

Hats off Bangladesh!

I wholeheartedly congratulate the Bangladesh cricket team for winning the match against England in their 2nd ODI and levelling the series at 1-1.

Captain Mashrafe played a magnificent game yesterday with his 44 runs from 29 balls, and 4 wickets.

It was great to see Nasir Hossain back in form, and Mahmudullah also played well.

Best wishes for the Bangladesh cricket team in the upcoming matches. I hope they win the series.

Akib Sumon University of Mymensingh How other Saarc countries appoint EC

SHAKHAWAT LITON

T will be a 'good gesture' by Prime Minister Sheikh Hasina if her government consults with BNP and other political parties to form the new Election Commission next February even though her government is not legally obligated to seek others' opinion on the issue. The BNP may keep raising the demand for consultation. But, there will be nothing wrong in the eyes of the law if the government unilaterally forms the new EC after expiry of the tenure of the current one.

The constitution provides the prime minister absolute powers regarding the formation of the EC through appointing the chief election commissioner and other election commissioners. In no other Saarc country does the head of the state or the head of the government enjoy such sweeping powers.

According to article 118 (1) of our constitution, the president will make the appointment of the CEC and other election commissioners. The appointments are supposed to be subject to the provisions of a law. But the law has not been made over the past four decades. In absence of the law, the power remains in the hands of the president. But interestingly, the president cannot exercise the power on his own. There is a constitutional bar on him. He needs the advice of the prime minister to appoint an individual as the CEC or election commissioner. Therefore, the powers in real sense are exercised by the prime minister, not the president. And the prime minister alone is constitutionally empowered to advise the president to act without consulting with ministers or others.

The constitutional provision in India, the largest democracy in the world, is almost the same as the one that exists in our constitution. The president appoints the CEC and election commissioners. But he acts on the advice of the council of ministers-led by the prime minister. The council of ministers collectively advise the president to make the appointments. Besides, a healthy culture has developed over the years and a history of a strong EC play a pivotal role in making the appointments free of controversy.

Other Saarc countries - Pakistan, Sri Lanka, Nepal, Bhutan and Maldives however have developed effective

mechanisms to constitute their ECs through consultations and scrutiny.

EDITORIAL

The present constitutional provisions regarding formation of EC speaks about Pakistan's efforts to further improve the political culture. Since 2010, a number of amendments to the constitution were brought to improve the appointment process of the CEC and other election commissioners. According to the present provisions, the prime minister shall, in consultation with the leader of the opposition in the National Assembly, forward three names for appointment of the commissioner to a parliamentary committee for hearing and confirmation of any one person.

The parliamentary committee to be constituted by the Speaker shall comprise of fifty percent members from committee has paved the way for making better appointments to constitute the EC.

In Sri Lanka, there is a constitution council led by the Speaker of the parliament. The council consists of the prime minister, opposition leader in parliament, one MP appointed by the president, five persons including two MPs appointed by the president on the nomination of both the prime minister and the opposition leader, one MP nominated by agreement of the majority of the MPs belonging to political parties or independent groups, other than the respective political parties or independent groups to which the prime minister and the opposition leader belong, and appointed by the president. On recommendation of the constitutional council, the president



the treasury bench and fifty percent from the opposition parties, based on their strength in parliament, to be nominated by the respective parliamentary leaders. The total strength of the parliamentary committee shall be twelve members out of which one-third shall be from the Senate. In case there is no consensus between the prime minister and the leader of the opposition, each shall forward separate lists to the parliamentary committee for consideration, which may confirm any one name. Then the president will appoint him or her as the CEC or an election commissioner.

With the amendments to the constitution, the Pakistan parliament has been empowered. And the provision for holding hearing by the parliamentary

appoints the CEC and other election commissioners.

In Nepal, the president, on the recommendation of the constitutional council led by the prime minister, appoints the CEC and election commissioners. According to its new constitution, the constitutional council consists of the premier, the chief justice, the Speakers of both Houses, leader of the opposition and deputy speaker of the House of Representatives

The King of Bhutan cannot exercise any absolute power to make any appointments to the EC. He has to appoint the CEC and other election commissioners from a list of names recommended jointly by the prime minister, the chief justice, the Speaker, the leader and the opposition leader of the

parliament.

The existing constitutional provision in Maldives looks more innovative. The president shall appoint as EC those persons approved by a majority of the parliament from the names submitted to it. A separate law has been enacted in line with the constitutional provision. According to the law, whenever it is necessary to make any appointment to the EC, the president submits to parliament the names of the nominated members.

The constitution of Afghanistan says an independent EC will be established under the provision of the law. According to the law, the president appoints CEC and other election commissioners from a list prepared by a select committee. The select committee consists of the Speakers of both Houses of the parliament, chief justice, and chairperson of the Independent Commission for Oversight of the Implementation of the Constitution, chairperson of the Afghan Independent Human Rights Commission and one person from the civil society organisations related to elections. The members of the selection committee elect their chairperson.

The above examples of constitutional provisions existing in other Saarc countries show how centralised the powers of constituting the EC are in Bangladesh.

A proposal for introduction of a hearing system for the appointments to any constitutional body had been raised during our constitutional amendments in 2011. The parliamentary special committee for the constitutional amendments had discussed the proposal at one of its meetings. But it could not proceed with the proposal due to lack of interest of the high-ups of the then government.

Some amendments however were brought to constitutional provisions regarding the appointment and functions of the EC. One amendment has fixed the number of EC members to five. But there was no fundamental change.

Should we learn something from the practices from other Saarc countries, let alone the practices in other developed democracies, to make better appointments to the EC?

The writer is Senior Reporter, The Daily Star.

PROJECT **■** SYNDICATE

The perils of debt complacency



CARMEN M REINHART

HAT a government spends the public **V V** pays for. There is no such thing as an uncovered deficit." So said John Maynard Keynes in A Tract on Monetary Reform.

But Robert Skidelsky, the author of a magisterial threevolume biography of Keynes, disagrees. In a recent

commentary entitled The Scarecrow of National Debt, Skidelsky offered a rather patronising narrative, in a tone usually reserved for young children and pets, about his aged, old-fashioned, and financially illiterate friend's baseless anxiety about the burden placed on future generations by the rising level of government debt.

If Skidelsky's point had been that some economies, including the United States, would benefit from higher infrastructure spending, even at the cost of more debt, I would agree wholeheartedly. Compelling reasons for boosting US public investment include deteriorating infrastructure, tepid growth, low interest rates, and limited scope for further monetary stimulus. For the US, such an impetus might be especially welcome as the Federal Reserve raises interest rates (albeit gradually) while other countries ease further or hold rates steady and the dollar likely strengthens.

But that was not the route Skidelsky took. Instead, in his critique of a commentary by Kenneth Rogoff, he argued that it is silly and passé for a country that can issue debt in its own currency to fret over medium-term debt levels. Call me old-fashioned, but that argument smacks of complacency and is not supported by evidence. On this score, Skidelsky confuses two different papers on debt and growth, a 2012 paper of mine, in which there were some alleged data concerns, with one that I co-authored with Rogoff and Vincent Reinhart, in which there were none.

Coming from an author who knows Keynes so well, such complacency disappoints. I cannot read How to Pay For the War and conclude that Keynes thought that high war debts were a "scarecrow" for the United Kingdom. In fact, the apparatus of the Bretton Woods arrangements that Keynes subsequently helped to craft were designed to ease a difficult transition out of debt.

The case for near-term fiscal stimulus, even if in the form of increased infrastructure outlays, cannot ignore the medium-term outlook for economies with already large debt obligations, major entitlement burdens, aging populations, and what appears to be a steady downward drift in potential output growth.

As Skidelsky notes, debts have risen significantly in the UK and the US (among others) since 2008, while interest rates have remained low or declined. Should we therefore conclude that high debt is not linked to low growth via high interest rates (which crowd out private spending)?

Reading a little further into my study with Rogoff and Reinhart, one would find that there was "little to suggest a systematic mapping between the largest increases in average interest rates and the largest (negative) differences in growth during the individual debt overhang episodes."

Our research considered 26 high-debt episodes between 1800 and 2011, looking both at growth rates and at levels of real (inflation-adjusted) interest rates. In 23 of these high-debt episodes, growth was lower, and in eight growth slowed even as real interest rates remained about the same or edged lower. Japan's debt overhang (entirely domestic currency debt), which we trace back to 1995, illustrates this pattern.

Why do high debt and slow growth coexist, despite

cheap financing?

High debt levels can and do constrain a country's

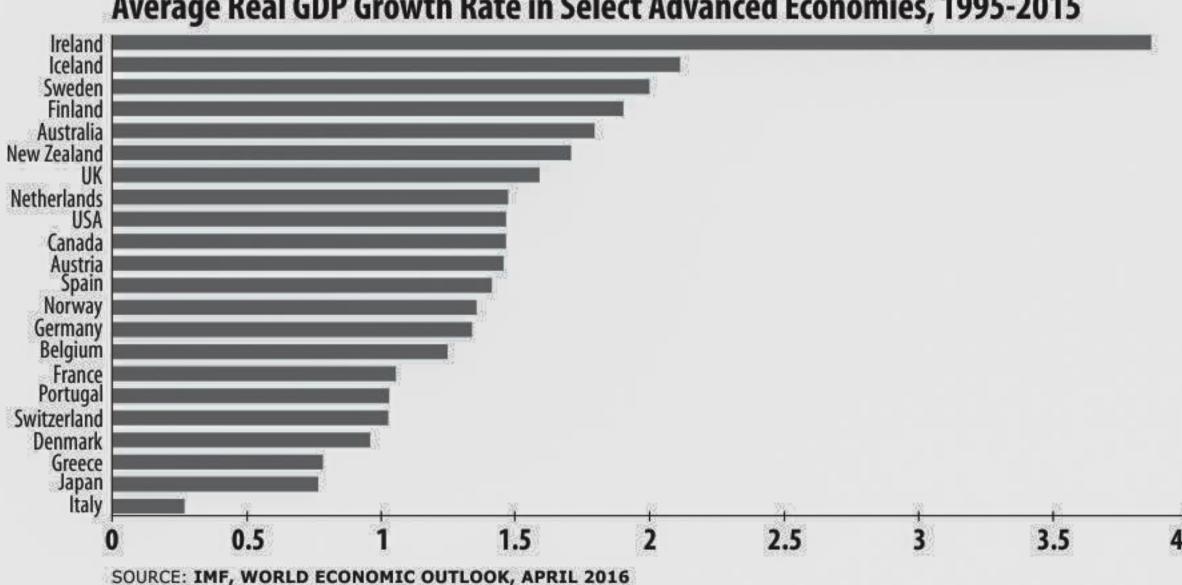
the two-decade experience of these three countries. It is difficult to imagine a sustained revival of Greek

growth without another round of haircuts and debt forgiveness from Greece's official creditors, which now hold most of its debt. Italy depends critically on the continued large-scale purchases of its bonds by the European Central Bank (its Target 2 balances have recently climbed, reflecting capital flight). The Bank of Japan is going to greater and greater lengths to orchestrate an increase in inflation expectations and price growth, which can help erode the value of outstanding debts. ("For inflation is a mighty taxgatherer," as Keynes observed.) Other countries, like Portugal, are also struggling with low growth and weak fiscal positions.

Concerns about debt levels (public and private) have now extended beyond the advanced economies to many emerging markets. I cannot recall an instance of a

BIG DEBTORS' SLOW GROWTH

Average Real GDP Growth Rate in Select Advanced Economies, 1995-2015



abilities to cope with adverse events. For example, some government that is concerned about having too low a of Italy's largest banks have been diagnosed as approaching insolvency and requiring substantial recapitalisation. Not surprisingly, the confidence of Italian households and firms has been shaken, and capital flight has ensued. If Italy's debt were not already 130 percent of GDP, might its government have been better positioned to provide the resources to tackle decisively its lingering banking and confidence problems?

Our 2012 study identified three ongoing public-debt overhangs that began in the mid-1990s - Greece, Italy, and Japan. Relative to other advanced economies, these three economies are the worst growth performers (see chart). To be sure, a country's economic performance depends on many factors. But the view that it is low growth that causes debt to rise, though important when assessing the cyclical feedback effects, can hardly explain level of debt. Perhaps, it is because the debt scarecrow has teeth.

Skidelsky needs no reminder of the historical record, but it bears noting that more than a dozen advanced economies received debt relief in one form or another during the depression of the 1930s. The approach to unwinding current debts is likely to vary considerably across countries, but it is time to place greater emphasis on debt restructuring (which comes with a menu of options) than on accumulating more debt.

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