

## Zila Parishad elections

### Make the body truly functional

THE Zila Parishad election was the first poll that was bereft of the usual festivity and assembly of enthusiastic public because many of them did not vote in it; yesterday the vote was cast by elected representatives of the other local bodies including union parishads, upazila parishads, municipalities and city corporations. The manner in which money was spun to win votes and the presence of many ruling party top brass canvassing for their chosen candidates raised eyebrows about the electoral rules and their blatant violation.

But the question will remain as to the electoral process itself. Are we drifting away from the very fundamentals of direct franchise? It is remarkable that while all our local body representatives are elected directly, the Zila Parishad members would be elected through a different mechanism. That we now have “electoral colleges” of sorts i.e. elected representatives from different local government bodies to decide on who will be elected to office is something unique.

Nearly a third of Awami League's chosen candidates were beaten by rebel candidates. And while significant money has been spent from the national exchequer to conduct the poll, the predictable absence of BNP and the Jatiya Party took much sheen out of the process. Indeed, one may well ask what the point of the Zila election was if it is not inclusive of all parties and ordinary voters. But be that as it may, now that the election is over to the highest tier of local government, we would hope that it would be allowed to function without any political or bureaucratic hindrance of the type we see in respect of the other local bodies.

## BCL men at it again

### Questions the ruling party must ask itself

A clash between two factions of the Bangladesh Chhatra League (BCL) at Comilla Medical College forced the university to close down for an indefinite period of time. The incident comes days after a similar clash at Shahjalal University of Science and Technology on December 21 that prompted the university authority to close it down for 15 days, only to reverse its decision a day later following student protests.

Then there was the case of BCL men stopping the recruitment test at Rajshahi University on December 23, demanding jobs for party men and forcing around 3,308 job seekers travelling from all parts of the country to leave the university premises. What these incidents show is that some BCL men are clearly out of control and have turned into a menace for ordinary people.

While university closures on account of clashes between ruling party men is not new at this point, the suffering caused to ordinary people still seem not to matter enough for the ruling party to take any meaningful action against errant party members and produce any significant changes. But now, given the regularity with which these incidents are happening, can the ruling party still argue that these are exceptional cases and not what has become the norm? That they are carried out by a handful of party miscreants and not indicative of a deeper problem within the student wing of the party itself?

These are questions that the ruling party must ask itself. In the meantime, the authorities must take stern action against those responsible for such hooliganism and remove the prevailing air of impunity BCL men seem to be enjoying.

## LETTERS TO THE EDITOR

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### Road accidents shouldn't be taken lightly

The number of road accidents that happen in our country is extremely high. People losing their lives in road accidents is almost always in the news. Recently, for example, 10 people have lost their lives over a span of 2 days only in the Gazipur district. According to a report released by the World Bank, almost twenty thousand people lose their life through road accidents in our country. Many more are probably severely injured in a way that affects them for the rest of their lives.

What if they are the sole earners of their family? Does it not gravely affect many more than those who are directly involved in the accidents? The severity of this problem, thus, is way beyond what we normally imagine and think it to be.

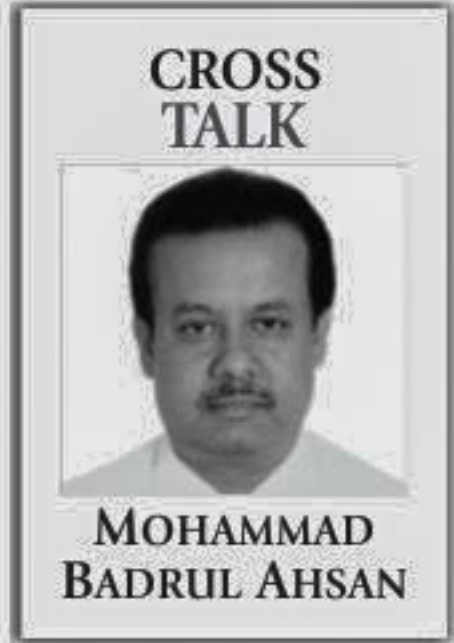
So it is high time that the authorities took the matter seriously and sincerely sought to fix it. We want to see quick but substantive measures from



the Bangladesh Road Transport Authority. We also want to see a much greater effort put in by the traffic police and other authorities. This is not a problem to take lightly, nor one that cannot be fixed with the right effort.

Anas, Dorga, Sylhet

# New Year revelry and our declining chivalry



drinking, dancing and merrymaking. The solvent ones in the remote areas of the country are also gearing up for ersatz jubilation, compensating dance floors, DJs and imported liquors with rich food, Hindi music and moonshine. Capitalism has thus reached a twisted version of the higher phase Karl Marx once promised for communism. Each according to his ability, people now have the growing need to enjoy their lives.

“From each according to his ability, to each according to his need,” is how Karl Marx described the principle of distribution in *Critique of the Gotha Programme*. Different people inhabit different worlds. Distribution of wealth was the problem for the earlier generations. Concentration of wealth is the solution today.

The world is still hung up on acquisition of wealth, egalitarianism being an anathema to moneymaking minds. But the emphasis has shifted from boosting equality to building equity. A man is no longer known by the company he keeps. He's known by the company he owns.

More wealth leading to more consumption has ushered the Anthropocene. It's the era in earth's history, which represents the maximum human impact on the environment. Scientists are working on technosphere, which includes all structures that people have created to sustain their own lives such as homes, factories, farms, mines, roads, airports, seaports, computer systems as well as all the trash and scum. The estimated burden is 50 kilograms per square metre of the earth's surface, if the total weight of 30 trillion tons is evenly distributed.

It's the outcome of an intensifying race in which the haves have raised their game, and so have the have-nots. Both sides now have to have more to attain the same level of satisfaction as before. The diminishing utility of wealth is driving people to acquire more like drug addicts need more fixes to get the same level of intoxication. Nobody can overcome the accelerating sense of having less arising out of the decelerating gratification derived from consuming more.

Everybody in this country seems to be afflicted by the malady of an overflowing

stop. Those who don't have enough aren't sure where to start. Both sides are in a fix because they can't reconcile what they want with what they have.

What has been destroyed in this unreconciled confusion is our sense of proportion. We buy expensive cars that sit in jammed roads for the most part of a day. Extravagant weddings don't bring lasting marriages. Higher education no longer guarantees wisdom. Obesity kills more people than emaciation.

These distortions have triggered diminshments in all spheres of life as

tomorrow is another day when something can change. As a matter of fact, we don't make changes as much as changes make us. How many people vow to quit smoking on the first day of the New Year? How many of us talk about taking better care of our health? Who is bothered to have a fresh start in terms of managing budgets and making other adjustments?

Instead, the New Year's Day is like the sponge damper pad used for moistening fingers when one is counting cash. The



river that inundates its banks. Our shops are overflowing with consumer goods, and our homes are crammed with them. In the words of Herbert Marcuse, we're incessantly turning luxuries into necessities. We need to consume more as our minds are losing depth, the same way rising riverbeds contribute to flooding.

Scientists argue that stress causes people to eat more. And it perpetuates a vicious cycle when stress leads to weight gain, which leads to further stress. Those who have enough in this country don't know where to

abundance creates its own deprivations. More wants more of it in a never-ending pursuit as the mortal frantically chases the material. Less wants less of it because worth of things is linked to their weight. It's perhaps the biggest contradiction of our time that consumption of more is consuming us more, and the longing for fulfilment only makes us feel incrementally hollow.

On this New Year's Eve that hollowness boils in our blood. We don't bother about New Year's resolutions anymore, because we don't believe

thought of a new beginning moistens our minds so that the turning of a new page is easier for us. We welcome the change not because we believe in it, but because it's our only consolation against the fear of what can't be changed.

Revelry has displaced chivalry; every celebration substantiates that point. This New Year is another reminder of that irony in progress. Every loud shriek of pleasure will rise from a muted gasp of pain.

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## PROJECT ■ SYNDICATE

# Keynes reborn



facing such harsh economic conditions that they could barely purchase any food to cook. Appalled at the circumstances of the Japanese people, who were largely peasants, the emperor decided to suspend taxation.

Three years later, the palace gates were in

solvency can cause the private sector to be reluctant to spend. That is what has happened in Japan.

Excessive government debt can be highly damaging. In inflationary periods, high outstanding government liabilities impair fiscal policy, because higher taxes are needed to finance the same level of real government spending. Making matters worse, governments can be tempted to inflate their debts away – a power that has been abused since the age of monarchs, resulting in a uniform inflation tax on asset holders.

But large public debts are not always bad for an economy, just as efforts to rein them in are not always beneficial. The focus on a balanced budget in the United States, for example, has led some elements of the Republican Party to block normal functions

and the liabilities of the central bank and the government.

When government deficits are lower, investing in government debt becomes more attractive. As the private sector purchases more of that debt, demand for goods and services falls, creating deflationary pressure. If the central bank attempts to spur inflation by expanding its own balance sheet through monetary expansion and by lowering interest rates, it will cause the budget deficit to fall further, reinforcing the cycle. In such a context, Sims argued, monetary policy alone would not be adequate to raise inflation; fiscal policy that increases the budget deficit would also be necessary.

The FTPL provides a clear diagnosis of the Japanese economy's problems – and points to solutions. When Abenomics was introduced in 2012, a massive injection of liquidity by the Bank of Japan was supposed to offset deflation. But, as both traditional Keynesians and FTPL followers would note, quantitative easing – which amounts to an exchange of money for its close substitutes (zero-interest bonds) – becomes less effective in stimulating demand over time. Add to that Japan's fiscal tightening – and, especially, its consumption-tax hike – and it is no surprise that demand has remained repressed.

More recently, Japan's negative-interest-rate policy worked rather well to push down market interest rates. But the policy also impaired the private sector's balance sheet, because it functioned as a tax on financial institutions. As a result, it has failed to provide the intended boost.

During periods of recession or stagnation, additional interest payments by banks would burden the economy, whereas public debt may enable the economy to reach full employment. (Neo-Ricardians would argue that public debt in the hands of people is worthless, because consumers internalise their children's future tax payments by holding debt certificates. But, as David Ricardo himself recognised, people are rarely that smart.)

John Maynard Keynes' *The General Theory of Employment, Interest, and Money*, which argued for active fiscal policies, was published in 1936. Forty years later, a counterrevolution took hold, reflecting sharp criticism of fiscal activism. After another 40 years, Keynes' key idea is back, in the form of the FTPL. This may be old wine in a new bottle, but old wine often rewards those who are willing to taste it.

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Japanese Prime Minister Shinzo Abe.

PHOTO: AFP

disrepair and the stars shone through leaks in the roof. But a glimpse from the same mountain revealed steady plumes of smoke rising from the peasants' huts. The tax moratorium had worked. The people were so grateful to the emperor – who became known as Nintoku (Emperor with Virtue and Benevolence) – that they volunteered to repair his palace.

Almost two millennia later, the Japanese people are, again, under economic pressure. A steep hike in the consumption tax in 2014, together with another hike expected in the near future, has undermined household spending. As in the Nintoku story, it is the wealth of the people – not that of the government – that dictates consumption.

Of course, the wealth of the government does play a role in economic performance. But excessive concern about government's

of state and even federal authorities, supposedly in the name of fiscal discipline. Likewise, the eurozone's recovery from the 2008 financial crisis has been held back by strict fiscal rules that limit member countries' fiscal deficits to 3 percent of GDP.

To understand the relationship between public debt and economic performance, we should look to the fiscal theory of the price level (FTPL), a macroeconomic doctrine that has lately been receiving considerable attention. In August, at the annual conference of central bankers in Jackson Hole, Wyoming, Princeton's Christopher Sims provided a lucid explanation of the theory.

As Sims explained, contrary to popular belief, aggregate demand and the price level (inflation) are not dictated only – or even primarily – by monetary policy. Instead, they are determined by the country's net wealth