

When will the farce end?

Are the authorities serious about the project?

THE government has yet again extended the date of shifting the Hazaribagh tanneries by three months. This was not the first time that the deadline for relocation of tanneries to Savar was extended, and going by the pattern of behaviour of the tanners and the readiness of the infrastructure and facilities at the new site, this will not be the last time that the deadline has been missed or that a new deadline will be set by the industries ministry.

In the first place, we find it rather bizarre that the ministry would be insisting on relocation of such a large number of factories without ensuring that the new site was complete in all respects in terms of the facilities, particularly the effluent treatment plant. Only 37 of the 154 industrial plants are being used at the new site, whereas, at least 70 such estates need to be working in order to make the effluent plant operational. Regrettably, these 37 units are discharging their waste and untreated water in the Dhaleswari.

The tannery shifting episode has been an appalling story of poor planning, wilful foot dragging and unholy nexus between a few in the administration and the tanners to delay the shifting to serve some narrow ends. The project stemmed from a sincere desire to save the moribund Buriganga. Unfortunately, that effort has so far been blunted. And now the Dhaleswari, we fear will meet the same fate as the Buriganga.

Enough is enough. We hope the ministry means business this time.

Water tariff hike

Keep average customers in mind

WATER supply in the city has remained despicably erratic as it is, punctuated with occasional flows of putrid liquid that is not fit for human consumption. Now, to make matters sad to tragic, the Dhaka Water Supply and Sewerage Authority (WASA) has raised tariff by a whopping 22 percent in six months. We are aghast at the fresh hike in water for we believe it will hit the average customers hard, especially those already battered by an increase in tariff in other services.

Also, we find it difficult to decipher as to how the said raise will address the reported corruption in the lower tier of the WASA or curb the so-called system loss that is primarily to be blamed for distribution inefficiency and pilferage that have taken a firm footing in the system. Not to mention the bureaucratic sloth that runs supreme.

We are perplexed by the way the average consumers are being squeezed in this fashion. It is industrial practice among service providers to hold public hearings before slapping a price hike; we find it inconceivable as to why the WASA has excused itself from such a time-tested norm. Especially when the enhanced water price does not seem to bring improved quality of service, nor will it remove the perennial scourge of unpleasant substance from tap water.

We understand that the state is not expected to provide subsidies for a long time. Having said that, any new tariff hike must take into consideration the opinion and the size of the coffer of the end users. Also, readjusting the pricing level needs to reflect the quality of service provided.

LETTERS

TO THE EDITOR

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Universities are living things!

Universities have, of late, come under severe criticism. But the truth of the matter remains that universities across the country have worked relentlessly to impart the different branches of knowledge, starting from humanities to the sciences. Of course there are some gaps and lapses on part of the universities for which the universities, however, are not alone responsible. Perhaps, things would improve if we made the necessary changes in the system itself and in governance.

The other day I was going through a new project profile of Reading University, UK, called "IMAGINE" aimed at bringing about development in the fields of education, environment, food, health, heritage, culture and creativity, etc. As alumni of Reading University, I have always felt that our universities should also take such initiatives and the faculties should devote themselves in national and social development activities and add their own creativity into the mix. Here, I would like to quote from W. M. Childs, the first Vice-Chancellor of Reading University (1926-29): "Universities are living things: they feel, think and do. They are centres of intelligence; they are concerned with ideas; they have outposts upon the frontiers of knowledge; they sometimes do beautiful and remarkable things; they dream and imagine".

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Will Trump and Putin be friends?

NO FRILLS



SYED MANSUR HASHIM

IN a move that was bound to raise the mercury a couple of notches, outgoing President Obama decided to expel 35 Russian embassy staff, close off two compounds and initiate sanctions on top intelligence chiefs. The steps taken by the president came as a surprise as the Obama administration had refused to disclose "facts" that the CIA claimed it had about Russian

links to Wikileaks in the run up to the elections. Hence, the massive expulsions when they came took a lot of people by surprise. This is very much reminiscent of cold war tactics and certainly the expectation was that Russia would retaliate in kind. President Putin on the other hand has refused to reciprocate. This "response" or lack thereof was a carefully crafted response from the Kremlin. It points to portraying President Obama as a "bitter old man" who had tried to bring Putin to heel with sanctions over Ukraine and frustration over Russian intervention on Assad's side in Syria. Indeed, going by the Kremlin website statement "As it proceeds from international practice, Russia has reasons to respond in kind. Although we have the right to retaliate, we will not resort to irresponsible 'kitchen' diplomacy but will plan our further steps to restore Russian-US relations based on the policies of the Trump Administration."

What is even more interesting is that President-elect Trump has walked right into the Russian game-play with his twitter comment on last Friday saying "Great move on delay (by V. Putin)... I always knew he was very smart!" The latest tiff shows that Vladimir Putin is changing his game. There is a new man in the White House who has indicated that he intends to open a dialogue with his counterpart in Russia to lessen tensions around the world. And in that vein, refusal to retaliate goes out as an olive branch to the new White House administration saying yes, the Kremlin is open to talks. We will of course have to wait to see if that is at all possible. Trump has made clear his position on the nuclear deal on Iran, relations with China, etc. But as we are finding out, President Trump has already reversed his position on some campaign trail promises.

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It remains to be seen exactly how good the new president is at "making deals" with the Russians on contentious issues like Iran and equally important, the Syria question.

This is still the honeymoon period in both Washington and Moscow. While we have lots of back patting going on in both capitals about a new beginning in relations, a break from the new low in Russo-US relations under the Obama administration, the proof of the pudding will be how the US deals with a resurgent Russia and China which, according to Jane's Defence Weekly recently set sail: "China's People's Liberation Army Navy (PLAN) for the first time deployed its Liaoning carrier group beyond the First Island Chain. The carrier group is thought to have commenced its transit into the West Pacific on December 23 and passed through the Miyako Strait south of the Japanese island of Okinawa on December 25. The progress of Liaoning and her supporting escorts was monitored by a



US President-elect Donald Trump and Russian leader Vladimir Putin.

FILE PHOTO: AFP

frigate and Lockheed Martin P-3C Orion maritime patrol aircraft of the Japan Maritime Self-Defence Force (JMSDF) as well as by Taiwanese assets. The PLAN ships sailed to the east of Taiwan and subsequently passed through the Bashi Channel to the north of the Philippines before heading west to port facilities on China's Hainan Island."

Russia is squarely aligned with China and China is on the move. While Trump has declared plans for a revamped military, what will be his approach if push comes to shove in the South China Sea? Will Trump still call Putin a "very smart man" or will Putin reciprocate if another battle front opens up somewhere else? Is Trump serious about reining in on what is allegedly, US

backing for hard-line fighter groups in Syria, some of whom are widely suspected to be jihadist groups. Unfortunately, international relations are not exactly the same as the corporate world where companies can be made or broken through "deals". Geopolitics requires wading through complex conditions and "deals" often mean painstaking negotiations over months and years to conclude. Given President-elect Trump's statements of late, we will simply have to wait and see how good (or bad) he is going to be in foreign relations.

That said, the world will simply have to wait for the next 100 days to see what the Trump presidency means for the rest of the world. We now have two very powerful men in two of the world's most important countries. However, as President Trump is finding out, that despite his party controlling the Senate and the House, he will have to contend with dissenting voices, on Russia from some of his party men. As pointed out by Senator John McCain (R-Arizona), "I agree with the

President-elect that we need to get on [with] our lives – without having elections affected by any outside influence, especially Vladimir Putin, who is a thug and a murderer." McCain chairs the Senate Armed Services Committee which has scheduled a January 5 hearing to investigate foreign cyber threats. The hearing apparently is the first of several that will be taking place in the coming months to look into allegations of Russian involvement in cyber hackings. This is an area where President Trump and his fellow Republican members of Congress digress and it will be interesting to see how these proceedings go.

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Aiming for higher growth in 2017

OPEN SKY



BIRU PAKSHA PAUL

DON'T we remember the fortune-tellers sitting beside the footpath in front of Dhaka College? They gave me a good lesson that we shouldn't say bad things when talking about someone's future. After a bit of a setback in the romance department, I resorted to being one of their customers. The fortune-teller instructed the Tia Pakhi, officer-in-charge, to choose any of the envelopes placed on the ground. Later I realised that the letters in all the envelopes tell the same story of good luck for the future. Unfortunately, many economists fail to understand this psychology and they don't hesitate to openly foresee a dismal future.

The challenges on the international front the year 2017 will pose will be less impactful than domestic debility in private investment. Macro stability will continue to persist without remarkable improvement in the financial sector. The banking sector particularly with nonperforming loans may not see any quick cure. Consumers will pull the economy and so will the government sector. The external sector will still remain strong in contributing to foreign currency reserves despite a noticeable collapse in remittances. The political front will draw little attention to both businesses and households since the election is remote, seemingly not before early 2019. The regime will be more successful in transmitting its dream to the public as the Padma Bridge and other mega projects are turning into reality. The year of 2017 can best be used to

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engineer higher growth. Macro stability is commendable if not the best. Inflation was as low as 5.6 percent in November 2016 despite 7 plus growth – a situation Bangladesh has rarely witnessed in the past. Important is the trend of inflation which was 11 percent just five years ago. Not long ago it was 7 percent in December 2014 when many economists predicted a sharp rise following the execution of the public wage hike. That didn't happen, thanks to incredibly low oil prices and resultantly weak commodity prices. Believing in the

India is building underground metros one after another, we still seem to be unaware of how much we need to pay for delaying this project. Dhaka, approaching almost 20 million people, will not find its parallels in the world without underground trains. It is already among the most unlivable cities on earth. 2017 expects to see some elevated attention to Dhaka for the sake of sustainable growth before the city really turns completely dysfunctional.

Since the government is contemplating on turning a part of the reserves into a

construction, transport, communication, and technology will grow noticeably for low input prices, and finally 6) rebalancing China and India in the engagement of development aspirations will be a positive attraction to the global investors.

This backdrop will encourage the government to pursue a budget where a growth target of 7.5 percent and an inflation target of 5 percent will be easier to achieve for the next fiscal year of 2018. 2017 will still be a year for the government take some unpopular yet



monetary phenomenon of inflation, the central bank also remained conservative on money growth which came down from 16.4 percent in June to 13.8 percent in November 2016 – a number that just accommodates the growth rates in output and broad money and keeps only a one percent breathing space for monetisation.

Since inflation is the major player in preserving or upsetting macro stability, and since it is under control, a favourable moment beckons the regime to undertake another bunch of mega projects like the Dhaka Patal Rail, an elevated bullet train between Chittagong, Dhaka, and Khulna, the second Bramhaputra Bridge in Mymensingh and its rapid connectivity with the land port in Nakugaon. While the list will be unending, at least the Patal Rail project is a must for the largest growth centre of Bangladesh, no matter how many metro rails or flyovers on the surface are built in coming years. While our neighbouring

sovereign wealth fund, funding for development projects will be easier. A temporary pressure on reserves will gradually dissipate since exports are still rising at 5.5 percent in November 2016. A 17 percent fall in remittances will greatly be offset by a corresponding 15 percent fall in imports, sending the overall balance in the external sector to a figure around 3 to 4 billion dollars – which will in turn fill the gap created by the government in the vault of reserves.

The year 2017 seems hopeful for at least six reasons: 1) political disturbances will be dormant 2) foreigners will find the improved security ensured by the government's success in catching militants a new incentive to think about more projects 3) local governments will expedite their development projects after the district level elections 4) enhanced revenue collection will boost the coming budget to be aggressive 5) sectors like

necessary steps before the election. The unpleasant task should include 1) expediting the speed of justice at all levels 2) expanding revenue and tax offices to local levels 3) uprooting any elements of militancy that are directly detrimental to foreign investment and growth 4) disciplining the traffic of megacities 5) outsourcing the management of mega projects wherever is needed to complete them by reasonable deadlines, and finally 6) streamlining bureaucracy to address on how to improve Bangladesh's rank in the ease of doing business index.

The paragraph of hopes heavily hinges on the paragraph of unpleasant tasks. That is why domestic challenges are much more laborious than external ones for the regime in the New Year.

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