

## World Environment Day

Where do we stand?

WE observed the World Environment Day yesterday in the backdrop of the United States withdrawing from the Paris agreement, a huge disappointment worldwide. What was heartening was that China, along with other leading countries, have decided to forge ahead on the climate deal because climate change is a reality, and it is a global problem.

At the national level, we have several climate change funds to deal with the adverse effects of global warming, including the Bangladesh Climate Change Trust Fund and Bangladesh Climate Resilience Fund. The former suffered an image crisis as there have been allegations of misallocation of funds. There is also the question of transparency. The other funds that have been set up suffer from slow disbursement.

And it is not just climate induced changes that we are suffering from. Dhaka, over the years has graduated to being the second most polluted city in the world. Our inability to combat air pollution by failing to limit the growth of brick kilns in the vicinity of the capital city has been taking its toll on public health. Unplanned industrialisation around major urban centres like Dhaka and Chittagong, and the uncontrolled dumping of untreated toxic industrial effluents have played havoc with farmland productivity and depleted our fish stocks as the rivers and major waterways become polluted.

The prime minister has stated recently that her government intends to expand the natural mangrove forest of the Sundarbans and the major development projects going on there will have no adverse effects. There are however, reservations on the issue and we would like to see policymakers take proactive measures to limit the damage to the environment through environmental policy implementation.

## The trauma of Longadu

Restore the confidence of the locals

FOUR days on, majority of the victims of Longadu attack have not yet come back to their home. Fear of further attacks is keeping them away in jungles under the open sky and without food. They have refused to take the relief offered by the administration. They want to be relieved of the fear. They want to get back to the normal life they used to have before the attack. Is the administration doing enough in this regard?

There is a common pattern in most cases of attacks against minority communities. On petty pretexts, mostly rumours, the majority mob perpetrates mindless violence against the minority communities. These attacks are often associated with looting, land grabbing and ousting of the minorities.

The response to these cases remains ineffective because of their failure, if not reluctance, to address the root causes of violence. During such attacks, the law enforcers fail to take timely action. Unfortunately, the perpetrators manage to get away through legal loopholes in most cases. This culture of impunity exacerbates the situation and corrodes whatever trust is left among the minority people.

In the case of Longadu, the administration should take necessary measures to ensure safe return of the victims to their homestead and support them with adequate relief. The perpetrators also need to be brought to book immediately. In CHT, there have been numerous incidents of ethnic violence over the years but successive governments have failed to find a peaceful solution. It should also be looked into seriously why all the government efforts are failing repeatedly.

## LETTERS TO THE EDITOR

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### Rooftop plantation

The number of children who need medical attention as a direct result of the capital's polluted air has risen threefold in the last decade. It is not just for natural beauty but for our very survival that green roofs must be encouraged all over the city.

Green roofs can reduce heat loss and energy consumption in winter conditions and reduce cooling loads on a building by fifty to ninety percent during the summer. They can filter pollutants and carbon dioxide out of the air to cure asthma. They help filter pollutants and heavy metals out of rainwater, and insulate a building for sound.

The government can provide free saplings to encourage rooftop plantation. It can be initiated in government schools, colleges and offices, helping the masses inculcate such environmentally responsible gestures.

Zubair Khaled Huq  
By e-mail

### Toilets in public buses

Every day, regular commuters have to spend an average of six to nine hours on public buses. During this time, when they have to use the toilet, the supervisor of the bus decides to stop once or twice in their entire route. But not everyone may have to use the toilet at that time. Given that it would be impractical for the buses to stop every time a passenger gets the nature's call, it is necessary for buses to have clean and hygienic toilets installed within them. This is a very basic need that would be extremely beneficial for all commuters of the city. I hope the owners of the bus companies, authorities of the labour organisation, and our Communication Minister will give importance to this matter.

Md. Nurul Islam  
Gazipur

## NEOLIBERAL ECONOMIC POLICIES

# Favouring the defaulters

### THE OVERTON WINDOW



ERESH OMAR JAMAL

Global Financial Integrity (GFI) report released three years ago said that USD 75 billion was lost from our economy because of trade misinvoicing and other unrecorded outflows between 2005 and 2014. USD 6-9 billion, equalling 9-13 percent of Bangladesh's total trade for that year, was lost through illicit money outflows in 2014 alone. Coincidentally (although I wouldn't bet on it), this massive capital flight was preceded by (or ran parallel to) some of the biggest financial/loan scams to have ever hit our banking sector.

In response...the government refused to bail banks out for their corrupt practices, jailed the bankers who had committed frauds, injected large sums of money directly into the economy to protect domestic deposits and keep the currency from devaluing, which ultimately led to a miraculous economic recovery within years. Oh wait, no, that was Iceland. We didn't do that in Bangladesh!

...the government in Bangladesh, instead of holding bankers accountable, bailed out the fraud-riddled banks using thousands of crores worth of taxpayers' money, year after year, despite repeated scandals hitting the banking sector and defaulted loans skyrocketing ad infinitum (as predicted would happen by those who opposed the bailouts). Today, even after the country's seven state-run banks wrote off Tk 2,041 crore worth of defaulted loans in between 2012 and 2016, eight state-run banks still hold 56.39 percent (Tk 41,399.70 crore) of the total defaulted loans in the banking sector. And, according to the Bangladesh Bank data, overall defaulted loans in the banking sector again rose in the first three months (January-March) of this year by a mammoth Tk 11,236.68 crore.

Despite this, the authorities have again proposed to allocate thousands of crores of taka to "recapitalize" the "ailing" banks in the upcoming budget— euphemism for: bail out 'zombie' banks suffering from liquidity crises having given out dubious loans (or worse). Compare this to what economist and professor Michael Hudson wrote in his book *Killing the Host*: "Banks have

gained control of government and their central banks to create money...to bail out creditor losses, not to finance public spending"—a common theme across the world (except for in Iceland and a few other countries).

This new trend or "financial alternative to classical economics", he says, is what "calls itself 'neoliberalism' but...is the opposite of what the Enlightenment's original reformers called themselves," largely because its advocates conveniently leave out the "original critique of landlords, bankers and monopolists...out of the current political debate in favour of what is best

deputy governor of the central bank, these decisions go "against the interest of the depositors" and a much better alternative to enforce financial discipline and circumspection would have been to give 'more' power to the central bank to 'regulate' other banks.

Going back to what Professor Hudson said: "Neoliberals have re-defined 'free markets' to mean an economy free for rent-seekers, that is, 'free' of government regulation or taxation of unearned rentier income." And governments have, willingly or unwillingly, obliged, creating mass inequality wherever neoliberal policies have been applied.

obvious 'inequality of outcome' (e.g. wealth), but also the 'inequality of opportunity' which classical economists most vigorously opposed. The Bangladesh Institute of Bank Management (BIBM) director general was quoted as saying for example, by newspapers, that banks were "charging good borrowers high interest on loans to mitigate the losses they suffer from the defaulted loans."

So not only are the mass of people not bailed out like the corrupt banks. Not only do they have to pay to bail out the corrupt banks. But they also have to end up on the wrong side of the interest rate 'apartheid' created by bad lending practices of the corrupt banks (and bankers) creating inequality of opportunity by decreasing the ordinary person's access to finance.

And the latest round of economic and financial discrimination against ordinary citizens to support neoliberal policies (of giving banks handouts) was the doubling of excise duties on their bank deposits. The Finance Minister even justified it by saying that "whoever has 1 lakh taka in the bank is rich". Simultaneously, let us not forget that he had also said in parliament that what had happened in the banks was "robbery" (dacoity). This should make one wonder, if the (supposed) rich have to pay higher taxes on their deposits, why didn't the dacoits have to pay anything? Surely dacoity is a crime, whereas the last time I checked, being rich (accumulating wealth legally) is not.

The truth is that all of these policies are the same neoliberal hodgepodge which has wreaked havoc in other countries of the world and is now doing the same in ours. And the only way to save ourselves from the same fate of economic ruin is to dump neoliberalism for real (classical economic) liberalism. A basic concept of which is less restrictions and impositions on the individual and more regulations on banking and other financial institutions. Which also means, no bailing out banks using taxpayers' money (by imposing austerity measures on citizens) when bankers have either willingly allowed fraud to happen—in which case they deserve to go to jail—or were too incompetent to stop it from happening—in which case they deserve to lose their job.

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characterised as trickle-down junk economics." In fact, "The classical reform program of Adam Smith and his followers," according to Professor Hudson, "was to tax the income deriving from privileges...and to make land, banking and monopolies publicly regulated functions." Yet, what we see today are drastic reductions in banking regulations.

Here, for example, we have the government approving a proposal to amend the Banking Companies Act which would extend the tenure of bank directors from six to nine years and allow four members from a family, from only two now, to become directors of a bank's board. Whereas, according to a former

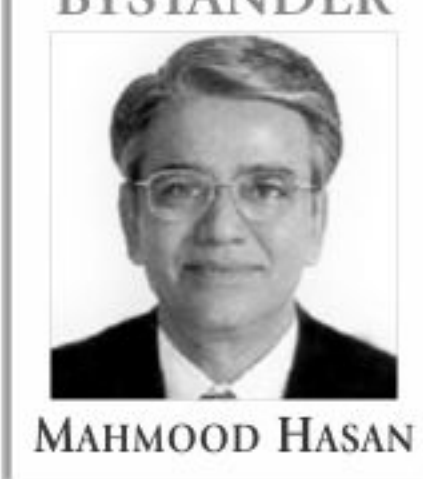
Thus, "the main substantive achievement of neoliberalism" described by Distinguished Professor of Anthropology and Geography at the Graduate Centre of the City University of New York, David Harvey, has been "to redistribute, rather than to generate, wealth and income" through "accumulation by dispossession [e.g. bailing banks out using taxpayers' money]" using "imperial processes of appropriation of assets and usury, the national debt and, most devastating of all, the use of the credit [banking] system" (*A Brief History of Neoliberalism*, Oxford, 2005).

But the inequality created by neoliberal policies is not only the more

## UK GENERAL ELECTION 2017

# A neck-and-neck race

### FROM A BYSTANDER



MAHMOOD HASAN

OVER the past couple of years British political landscape has undergone dramatic changes. When David Cameron won a Conservative majority in the May 2015 general elections, one never thought that he would challenge the European Union. But the shocking Brexit referendum of June 2016, which split the British polity down the middle, stunned Europeans. Soon thereafter Cameron quit as prime minister and left the onerous task to Theresa May to steer Britain out of EU.

As animated debates continued over the pros and cons of Brexit, Theresa May (originally anti-Brexit) seemed hesitant to trigger Article 50 of the Treaty on European Union to withdraw UK from EU. However, after lots of dithering and passing a law in the parliament she finally invoked Article 50 in a letter to

linguishing economically, with a sharp fall in the value of pound sterling and a sense of uncertainty among employers that has hit household budgets pulling down living standards.

The anti-Brexit rhetoric, coming out of Brussels and hardened positions of different EU leaders, has seemingly made May's victory in the election uncertain. For instance, European Commission President Jean Claude-Juncker after having dinner with May on May 1, 2017, apparently said he was "10 times more skeptical" about the success of a Brexit deal. That put Theresa May in an awkward situation, accusing the EU of seeking to influence the results of the general election. German Chancellor Angela Merkel also fired a salvo, when she said Europe must take its fate into its own hands as the post-war Western alliance had been badly undermined by UK's Brexit vote and Donald Trump's election as US president.

Theresa May was curiously absent from the BBC TV debate on May 31, which invited leaders of all seven

that may not find takers in Brussels.

The opposition Labour Party is sitting on the fence on Brexit. They are yet to make their position clear, primarily because many Labour MPs are still ambivalent about Brexit. Jeremy Corbyn wants to scrap the Conservatives' Brexit white paper and replace it with fresh negotiating priorities with a strong emphasis on retaining the single market and customs union. Corbyn's manifesto says that Labour will "reject no deal as viable" and guarantee existing rights for EU nationals living in Britain and UK citizens living in the EU. Labour leaders are more intent to exploit issues such as economy, health care, immigration, etc., to coax voters. Actually, Corbyn is faced with a catch-22 situation.

What is most alarming is that Britain came under terrorist attacks suspending campaigning twice – first in Manchester on May 22 that killed 22 and injured more than 100. The second was on June 3 on London Bridge when three attackers wielding knives stabbed dozens of people, killing 7 and injuring nearly 50 more. Police shot dead the attackers and later arrested 12 people in connection with the attack.

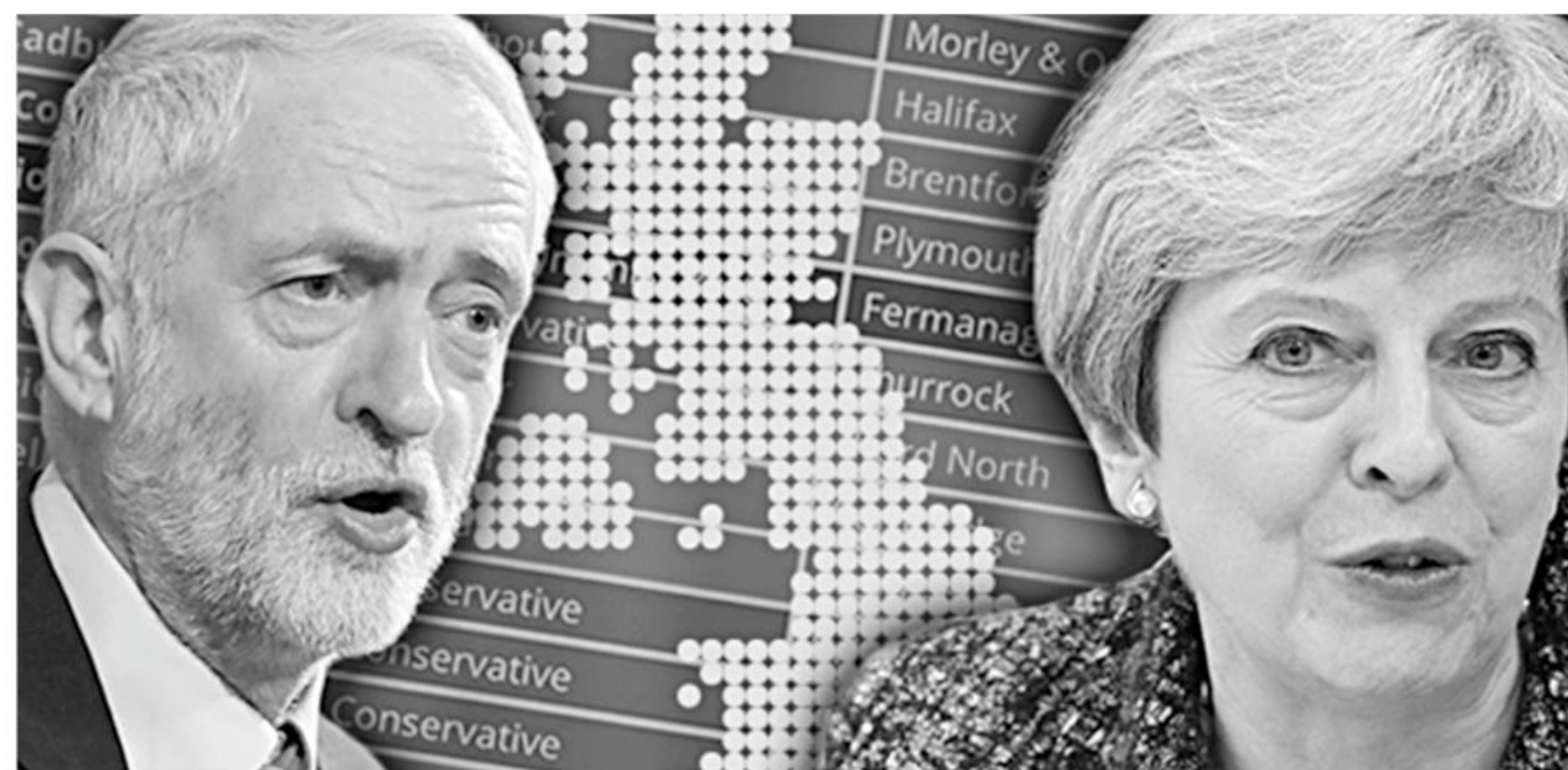
Theresa May condemned the attack blaming it on the "single evil ideology of Islamist extremism". She declared, "Violence can never be allowed to disrupt the democratic process," and that election will be held as scheduled on June 8. Jeremy Corbyn said, "I hope it will not disrupt our democratic process." London Mayor Sadiq Khan condemning the attack said, "We will never let these cowards win." It appears these terrorists are British citizens who are linked to IS.

Theresa May will face an uphill task as six other parties in the fray will cut into her vote share. However, some of the smaller parties may become kingmaker if either the Conservative or Labour Party fails to get an outright majority. In the 650-seat House, the party winning 326 gets to form the government.

British pollsters had failed to gauge public opinion correctly on the 2015 general election and also on the Brexit referendum in 2016. Anyway, polls indicate that the Conservative Party is ahead of Labour and is projected to win a majority. But May is worried that the opinion polls are see-sawing. It will be a setback for Theresa May if Conservatives fail to get more than 330 seats that it got in 2015. And it will be a disaster if May fails to get past 326. A hung parliament will be even worse as that will affect Brexit negotiations.

Brexit negotiations are scheduled to begin on June 19 – the same day the newly elected House of Commons reconvenes for formal opening. Whichever party wins majority it will be an arduous task for the British prime minister to get a clean divorce from EU and at the same time remain friendly with continental Europe. Indeed, Britain is passing through an extraordinary phase of its political history.

The writer is former Ambassador and Secretary.



A Conservative landslide was projected initially but the party's lead over Labour has narrowed in opinion polls.

EU President Donald Tusk on March 29, 2017. Then on April 18, 2017, she announced a snap election for June 8, 2017 – three years ahead of schedule but allowing 50 days of election campaigning.

May, aware that the Conservatives were ahead of Labour in opinion polls, took this gamble for fresh mandate to get a larger parliamentary majority to strengthen her hands at the Brexit negotiations. Jeremy Corbyn was happy that the election would provide an opportunity in the race for Downing Street.

The election campaign is dominated by a single topic – whether Brexit would lead to better economic conditions. Since the referendum UK has been

parties contesting the polls. However, both May and Corbyn appeared separately on TV in front of an audience where both leaders have had hard times answering questions.

Theresa May in her TV interviews insisted that the choice for voters was between her "strong and stable" leadership and the "coalition of chaos" under Labour leader Jeremy Corbyn. Conservative leaders say they will seek a new "deep and special partnership with the EU"; leave the single market and customs union; control immigration and secure the rights of EU nationals in UK and Britons in the EU; and that no deal is better than a bad deal. These are May's wishful ideas