

## Retaining EU GSP facilities

*We need to improve labour rights*

THE European Union (EU) letter to the government threatening removal of GSP facilities if there is no tangible progress on labour rights comes in the heels of ban on cargo flights out of Bangladesh. Both directly affect our trade adversely. As far as the cargo ban, we were not aware as to how the situation came to such a pass! So far, the government has made no attempt to communicate the situation to the public as to the progress of negotiations. But equally important, if not more, is the situation with the GSP facilities, by which Bangladesh enjoys preferential export facilities to the 28-nation economic bloc.

The government and the EU have been negotiating labour rights for a few years now and the ILO has also been party to it. But we fail to understand what it is that is standing in the way of a resolution of this matter. Is the EU demand in contravention to any aspect of our state policy? How is it that other countries like Vietnam, Cambodia, etc., have conformed to labour issues?

First we lost GSP to the US. Back then our policymakers brushed off the matter on the argument that our export to the US constituted only a miniscule of our export basket. The EU is a different affair which took up 54.57 percent of total exports last fiscal amounting to USD 18.68 billion (USD 17.15 billion came from apparel shipments).

We believe that we are subordinating our national interest to some narrow coterie interest by soft pedalling on the issue of labour rights. We cannot be out of step with the world. There is a universal standard of labour rights and we cannot disregard that. We have had a lot of success in many areas, but are very cavalier in addressing issues of vital concern. The matter should be addressed immediately.

## National Safe Roads Day

*Must go beyond a one-day observance*

ON June 5, the cabinet approved a proposal to declare October 22 as National Safe Roads Day. This is a welcome move by the government that can do wonders for road safety throughout the country if implemented widely and not simply observed as a one-day, ceremonial affair.

Designating a particular day to observe road safety will no doubt raise awareness and may even help reduce deaths due to road accidents to some extent. However, awareness alone is not enough.

It is imperative to give special attention to road infrastructure and network—much of which is in a shambles. The poor condition of the majority of roads and highways in the country is one of the primary causes of road accidents.

A leading Bangla daily recently published some depressing statistics. In the last 114 days alone a staggering 1,002 people died in road accidents. Most of these deaths happened on highways and were related to high speeds and recklessness of drivers.

Although both the Road Transport Act 2017 and Motor Vehicles Ordinance 1983 address the issue of road accidents due to speeding, an utter disregard for the law and the lack of its implementation result in lawless drivers repeatedly getting away with breaking traffic rules.

So while the observance of National Safe Roads Day is a step in the right direction, without proper road infrastructure and implementation of laws there can be no real progress in terms of road safety. In this regard, coordinated efforts are needed between the Roads and Highways Ministry, Road Transport and Highways Division and law enforcement agencies across the country.

## LETTERS TO THE EDITOR

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### Felling of a 200-year-old Shimul tree

I am a resident of Road 51, Gulshan 2. Just in front of our gate stood a beautiful, majestic 200-year-old *Shimul* tree, with its branches and foliage spreading across the road. Not only did the tree give out much-needed oxygen, but it also protected pedestrians and us residents from the rising heat. Every spring, bright red flowers used to blossom on the tree, lending colour and vivacity to our otherwise brick and concrete area.

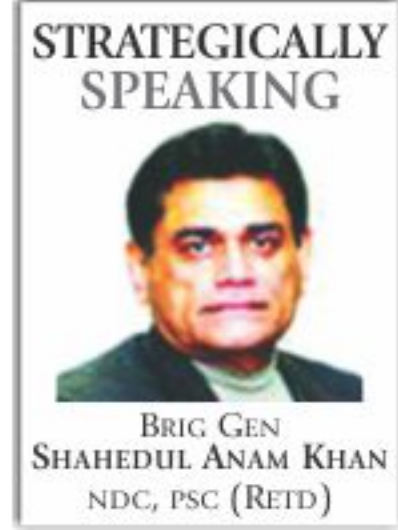
It is with profound sorrow that I have been witnessing the gradual felling of this rare tree over the last three days. The stump of the huge tree has been sawed off to its last level. You will not find another *Shimul* tree in all of Gulshan.

It makes me wonder, Mr Mayor, whether, when you take up the work of expanding/repairing/beautifying roads and highways, you have a team of engineers, environmentalists, botanists and landscape experts to study the project from all angles and give their expert opinions on how to implement the project without causing damage to the environment. For, if you had, then probably the unnecessary felling of this *Shimul* tree, which was the pride and landmark of Road 51, would not have taken place. Your workers would have been instructed to proceed with caution and protect the tree by all means.

It is ironic that I am compelled to write to you on an issue of environmental repercussions when the whole world is uniting to save oceans to counter the effects of climate change.

Hasina Zaman  
Gulshan

# Of VAT, donkeys and horses



year through the ever-increasing burden of tax, his innovative ways of finding more avenues to perpetrate evermore the burden, in the name of development, are running the patience of the people thin.

Increase in prices of essentials has been explained away by the very facile argument of increase in earning of the general public — little acknowledging the hard reality that prices have risen in tandem with the increase in earning. Much has been written about value added tax. Any more on it is deemed unnecessary. A few in the administration have conceded that the cumulative effect will be quite heavy on the consumers. However, the list of items outside the VAT net is very interesting and speaks of the highly inventive mind of the finance minister. The list suggests that he is encouraging diversification of investment in Bangladesh of such items that were not very common in this country. One wonders why donkeys find a place in the list of items exempted from VAT. Haven't we enough of those amidst us, especially in some particular niche, without offering incentive for more import of it? Or for that matter mares and stallions. He also perhaps wants to encourage breeding of horses and mares, replicate some countries in producing the best mares and best stallions! A good prospect of stud farms in the country and new avenue of export. Innovative indeed!

In suggesting increase in excise on bank accounts upward of Tk 1 lakh, his argument that anyone having more than Tk 1 lakh in the bank is “rich” and therefore can pay the enhanced rate is in contrast to his position on the ‘robbery’ of banks when he said Tk 4,500 crore is a pittance, referring to the defaulting amount of several banks and a business house of poor credentials but strong links, as if that was peanuts. Increase in the said excise duty will make banks lose their claim as a good option of saving to the middle income group. Is it not a regressive act that will cause people to shy away from banks?

By the way, not many people were aware that they were already paying Tk 500 on this account, perhaps because there was an element of surreptitiousness in this matter, and I for one was not aware of it, because such deductions did not appear clearly in my yearly bank statement, or I may have failed to notice it because it was lumped with the other deductions that the bank makes for providing us its services.

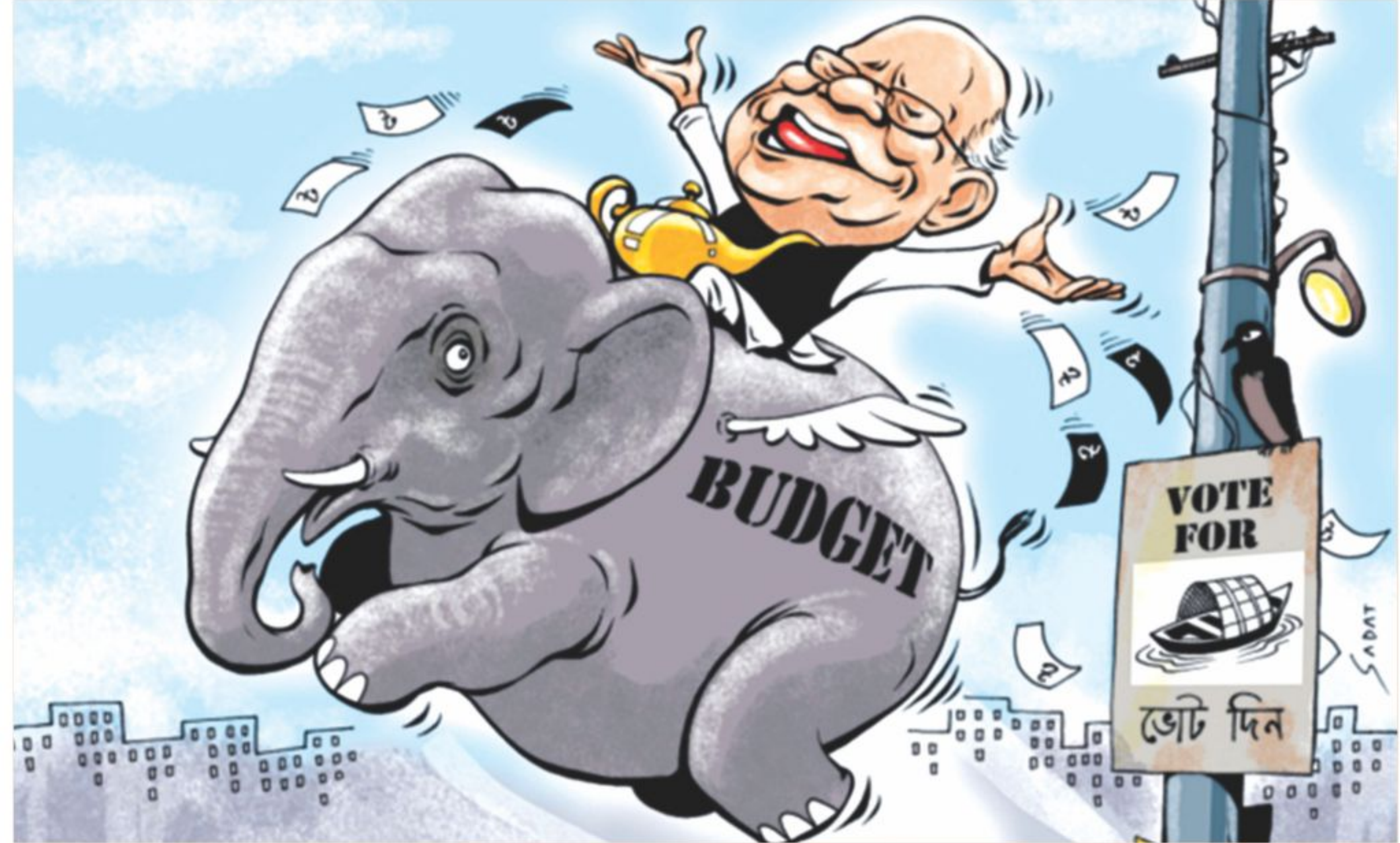
Defaulting business houses and non-performing state-owned banks have caused these to dip in the red by nearly Tk 15,000 crore, part of which the

that. The finance minister says the prices will not go up in spite of the taxes, and he is hopeful that the VAT would help bring into the tax net more people. It is absurd to rely on VAT and subsidiary duty when only 40 percent of TIN holders pay tax.

And prices have already started spiking. For example, iron rods have become dearer by more than Tk 3,000 per tonne even before the budget is passed.

We have lost count of how many times the price of gas has been hiked in

of octane been reduced. The month of Ramadan comes as a blessing for us. But what sort of “blessing” is the finance minister giving us? Every year I look forward to this month with a mixed feeling, and even more, with trepidation, because that is the time when the traders go on a profiteering binge, undeterred by government caveats and unaffected by the market forces, or religious diktat. In spite of goods aplenty, the common refrain from the traders is, there is not enough of the stuff in the market. It is as if the



CARTOON: SADAT

finance minister wants to recoup through subsidising. In fact in doing so the finance minister is indirectly subsidising robbery through what he euphemistically calls ‘recapitalisation.’ And nothing palpable has been done to pull up the banks whose management as well as the boards have been complicit in the pilferage of public money to fatten a coterie of self-serving people.

These banks have become like a bucket full of holes — no amount of refilling will help without plugging the holes. And neither the government nor the banks' management is willing to do

the last five years, and the finance minister has rubbed salt in the wounds of the suffering public by announcing in advance that 2018 will see another rise in gas price.

Price increase in Bangladesh is not governed by the market. It is arbitrary and sometimes whimsical. It seems that the service providers have become business houses interested in profit-making rather than reducing the burden of the common people. For example, the BPC in the last three years ran up a profit of more than Tk 20,000 crore and only once in the last many years has the price

traders, large and small, are consumed by the monster of selfish profiteering, making the most of it in the 30 days of the month of Ramadan.

GDP should also be juxtaposed with GNH or Gross National Happiness. As economists say, the merits of an action should be assessed according to how much happiness it produced. The same should apply to a budget. Has our budget made the common people happy?

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## PROJECT ■ SYNDICATE

# Terror and the ballot box

RAJ PERSAUD and ADRIAN FURNHAM

THE United Kingdom has suffered two major terrorist incidents in the run-up to its general election on June 8. The question now is whether the attacks at a pop concert in Manchester last month and on London Bridge last week will change how people vote.

Unfortunately, academic research into the psychological effects of terrorism suggests that extremist organisations such as al-Qaeda and the Islamic State are on to something when they launch attacks before elections. In addition to causing death and destruction, terrorism can have a significant psychological impact

Presidential Election,” a study published in *Political Behavior* in 2007, researchers from Duke University and Michigan State University cited surveys in which 42 percent of US respondents deemed terrorism to be the most important issue in the election. Only 18 percent of survey respondents singled out the economy, and just three percent mentioned other traditional domestic issues.

President George W Bush won the 2004 election, despite the electorate's profoundly negative view of the economy at that time. According to the study, 45 percent of survey respondents believed that the economy had worsened over the previous year, while only 24

How governments respond to terrorist incidents can also affect democratic elections. In “Terrorism and Democratic Legitimacy: Conflicting Interpretations of the Spanish Elections,” a 2005 study published in *Mediterranean Politics*, political scientist Ingrid Van Biezen, now of the University of Leiden, investigated the impact of the 2004 Madrid railway-station attacks. Just three days before the Spanish general election that year, ten explosions at three stations killed 192 people and injured 2,000 more.

The Madrid attacks were the worst terrorist incident in Europe since the December 1988 bombing of a Pan Am

news would come too late to meet press deadlines for Election Day.

Instead, the news broke, and the opposition Socialist Party received a dramatic electoral boost. The Socialists secured almost 11 million votes — around three million more than it had four years earlier — and won 164 parliamentary seats, up by 39. The PP, for its part, went from having “a reasonably comfortable lead in the polls” and an absolute parliamentary majority to losing power altogether.

Social-science researchers have also studied the effects of terrorism at a local level, in scenarios where one part of a country feels more threatened than others. In “Terrorism and Voting: The Effect of Rocket Threat on Voting in Israeli Elections,” a 2014 study published in the *American Political Science Review*, Thomas Zeitzoff of American University and Anna Getmansky, now at the University of Essex, examined outcomes in areas most exposed to rocket attacks from Gaza since 2001.

Looking at the reach of the rockets over time, Zeitzoff and Getmansky found that the share of right-wing votes has increased 2-6 percentage points in areas that have come into the range of possible attack. This finding demonstrates that the threat of attack can affect voting behaviour; indeed, it implies that if all Israeli voters were within range of the rockets, right-wing candidates would capture 2-7 seven more seats in Israel's Knesset (parliament).

The impact that the mere threat of terrorism has on voters may also explain why some conflicts endure. Voters who feel threatened will be inclined to elect candidates who are less interested in making concessions to a country's perceived enemies. When such candidates come to power, the space for negotiations narrows, and the chance of brokering a settlement between opposing sides decreases. In fact, headline groups may use violence precisely because it provokes emotional reactions, fuels conflict, and discredits more sympathetic or compromising politicians.

Whatever the outcome of the UK's general election, violent extremists will continue to influence voters, and possibly undermine democracy, unless our politicians become more adept at managing mass psychology.

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SOURCE: NEWS.ANOTAO

on voters and electoral outcomes. Generally, the state of the economy is one of the main factors affecting voters' decisions. But terrorism has a unique power to divert voters' attention away from “normal” politics, including economic challenges. When this happens, otherwise low-salience issues, such as security or foreign policy, can become the electorate's primary concern.

For example, in the 2004 US presidential election, American voters were still heavily influenced by the September 11, 2001, terrorist attacks, even several years after the fact. In “Fear in the Voting Booth: The 2004

percent thought that it had improved. In addition, more respondents (47 percent) thought that the phrase “strong leader” better described Bush than his rival, then-Massachusetts Senator John Kerry — a genuine Vietnam War hero.

The study's authors — Paul Abramson, John Aldrich, Jill Rickershauser, and David Rohde — concluded that Bush owed his 2004 victory largely to the 2001 attacks. If 9/11 had never occurred, and if voters had still held the same dim view of the economy, Bush would have followed in the footsteps of his father as a one-term president.

jetliner over Lockerbie, Scotland. But, unlike in the 2004 US election, and despite a strong economy, voters cast their ballots against the incumbent Partido Popular government. The reason, Van Biezen argues, is that the PP-led government seemed to discount the role of Islamic terrorism in the attacks, and instead pinned the blame on the Basque separatist organisation ETA.

Van Biezen points out that the government waited until the eve of the election before announcing that the five suspects arrested in connection with the attacks were Moroccan and Indian. The PP leadership probably hoped that the