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FOUNDER EDITOR
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Saving the hills

Heed expert recommendations

AMID fresh reports of landslides in the hill tracts one is astounded to find that remedial measures recommended by an expert committee has gone completely unheeded so long. It is all but true that many of the calamities that visit us are manmade and compounded by our tinkering with nature. The recent disaster in the CHT and some parts of Chittagong district is an example of this.

The 36 recommendations by the Divisional Hills Management Committee (HMC) following the death of 127 people in a landslide in Chittagong in 2007 remain unimplemented due to the indifference of the local administration as well the owners of the hills who happen to be both government agencies and private bodies. The worst hit has been the CHT where the spate of development has had the most deleterious consequences on the ecology of the area. Uncontrolled growth of habitation has contributed to the woes.

We suggest that the recommendations of the HMC be implemented without delay and extended to the CHT also. And one of the reasons of lack of progress is inadequate fund, particularly for relocation and resettlement of people living in vulnerable areas. The administration should address the issue of funding, this as well as other technical infrastructure projects, immediately. And echoing the experts, the government should seek expert opinion in this regard and proceed in a substantive manner to address the problems of the endangered hilly areas in the country. It is regrettable that we live from calamity to calamity and rise up only when a disaster strikes us. Such an attitude should be purged.

Fighting mosquito menace

Action should go beyond the 'symbolic'

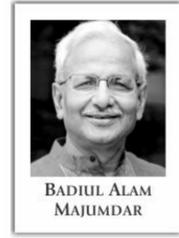
THE health and family welfare ministry in association with the two Dhaka city corporations organised a 'symbolic' awareness campaign on Saturday, to warn city dwellers about the dangers related to mosquito borne diseases, especially in the wake of a chikungunya outbreak. But as we all know, mosquito borne diseases have always been common in our country. What pre-emptive measures did the authorities take beforehand to tackle this threat?

Not many, it seems by the looks of things. The Directorate General of Health Services (DGHS) has already found a very high presence of mosquitoes carrying various diseases in a survey conducted over five days in 47 out of 53 areas of the city. Moreover, 378 dengue cases and 400 cases of chikungunya were reported between January 1 and June 15, according to the DGHS control room and the Institute of Epidemiology, Disease Control and Research, respectively. Though the number of fatalities from dengue related cases has gone down over the years, the number of cases has not.

While it is true that mosquito borne diseases such as chikungunya have only recently emerged in our country, it is also true that our overall preparations towards handling diseases carried by mosquitoes have been woefully lacking. And although awareness campaigns are indeed necessary, on their own, they are clearly insufficient. This means that the authorities must take actions that go beyond mere symbolism.

The authorities should have clearly been more proactive in dealing with the problem before it arrived. Nevertheless, there is still time, we believe, for the authorities to minimise the threat posed by such diseases, if they act quickly and prudently now.

Budget without a basis



BADIUL ALAM MAJUMDAR

OUR finance minister has proposed a mega budget of Tk 4,00,266 crore for FY2017-18, of which Tk 1,53,331 crore is earmarked for Annual Development Programme (ADP). The projected revenue income against the budget has been set at Tk 2,87,991 crore, increasing the budget deficit to Tk 1,12,276 crore or five percent of Gross Domestic Product (GDP). This deficit will be financed by borrowing Tk 28,203 crore from banks, Tk 32,149 crore from non-bank sources and Tk 51,924 crore from foreign sources (which will include a small amount of foreign aid). That is, about a fourth of the budget will be financed by loans from domestic and external sources. It should be noted that a large proportion of the ADP will be spent on six big priority projects of the government.

A budget normally has three features. First, it represents a list of all possible sources of income and expenditures. Second, it reflects the sector-wise priority of the government. Finally, it is the means of implementing the political commitment of the ruling party. The last two features give the budget a philosophical basis.

The proposed budget is undoubtedly a list of all projected income and expenditure sources for the coming year. However, it does not seem to clearly reflect the government's priority to any particular sector. For example, about two-thirds of Bangladesh's population is youth, creating a "demographic dividend" for us, which will not last forever. To take advantage of this opportunity, the finance minister could have made special allocations for quality education and healthcare for the youth and for tools to equip them with necessary skills. We could make investments to prepare our youth for the future rather than trying to create the desired future for them. In that case, they would be able to make use of the opportunities offered by globalisation and create employment for themselves. The finance minister could have also given priority to employment creation, in which we are doing very badly.

In addition, we will lose concessional market access for our exports when we reach upper middle-income status. The geopolitical conditions are also changing fast, for which we must be prepared. For this, we will have to encourage the "sunrise industries" and discourage the "sunset industries". The famous Austrian economist, Joseph Schumpeter, long time



ago reminded us that industrialisation is a process of "creative destruction," in which resources continuously get reallocated from less prospective to more prospective industries. Therefore, if we are to use budget as an effective tool for economic management, we must regularly and courageously rework our priorities and the incentive structure. However, in our country, the budget appears to be on autopilot for the last few years, with allocations being increased and decreased based on thinking within the box.

The proposed budget also does not appear to reflect the political commitment of the ruling party. Before the 9th Parliament election, Awami League published in its election manifesto, Dinbodolar Sanad, an eight-point vision for 2021 with the purpose of "solving the crisis and creating a prosperous future," which includes: (i) Caretaker government, democracy and effective Parliament; (ii) Political structure, decentralisation of power and mass participation; (iii) Rule of law and resisting politicisation to ensure good governance; (iv) Changing the political culture; (v) Creating a corruption-free society; (vi) Women's empowerment and creating equal rights; (vii) Economic development and initiatives; and (viii) Bangladesh in the world arena. Thus, before the election of 2008, the present ruling party clearly made commitments to both development and democratic governance.

Furthermore, in the election manifesto

published before the 2014 election, the ruling Awami League made three clear commitments: democratisation, good governance and decentralisation. Unfortunately, in the present context, democratic governance has been sacrificed in the name of development. It is not therefore surprising that there is no visible initiative in the new budget to curb corruption. Rather through his statement in the after-budget news conference that there is corruption in the banking sector of other countries, the finance minister indirectly condoned the continued plundering of our financial sector. There is also no visible sense of direction for decentralisation in the budget. It is thus clear that the proposed budget does not reflect the political commitments of the ruling Awami League.

Rather what can be observed in the new budget is the tendency to recklessly increase spending. Even though the revised budget for FY2016-17 was slashed by Tk 23,000 crore or 6.9 percent, the proposed budget for FY2017-18 will be Tk 83,092 crore or 26.2 percent higher. We cannot fathom the reason for such an increase. The ADP in the proposed budget will also increase by Tk 42,631 crore or 38.5 percent, whose justification further defies us. We are not sure from where the capability for effectively spending such huge ADP will come.

The targets that the finance minister has set to finance the new budget appears to be totally unrealistic.

Although the revenue income from the original FY2016-17 budget was slashed by Tk 24,252 crore or 10 percent in the revised budget, in the proposed FY2017-18 budget, projected revenue will increase by 69,491 crore or 31.8 percent. We do not understand how NBR will be able meet such an unrealistic target. The only way we could possibly reach such a target is to appreciate the value of taka, which could open the floodgate of imports, although it will mortally hurt our exports, especially of garments. In the same way, inflows from foreign aid and loans are projected to increase by Tk 23,153 crore or 80.5 percent, even though such inflows were reduced by Tk 7,534 crore or 20.8 percent in revising the FY2016-17 budget.

It is clear that there is no realistic basis for the proposed mega budget for FY2017-18. It appears that our finance minister has, like a magician, picked from his hat the number of Tk 4,00,266 crore as his spending target, and then arbitrarily set the targets for income sources, for which we find no justification. We also find no philosophical basis for budgetary allocations. Thus, the proposed budget is arbitrary at best. What is most frightening is that through this arbitrary budget, projects like Rooppur Nuclear Power Plant will be financed, which will place the future of our entire nation at serious risk.

The writer is Secretary, SHUJAN: Citizens for Good Governance.

The robot takeover is greatly exaggerated



NOAH SMITH

THERE'S lots of fretting these days that automation will displace huge numbers of workers. It makes sense to be worried. Although adoption of machines in the past didn't make human labour obsolete, there's no guarantee that future technology will work the same. Maybe this is an issue in the long-term, but for now, at least, automation probably isn't taking away many jobs.

To hear me confidently declare that may come as a surprise to some, given the steady

flow of articles sounding the alarm about a new paper by Massachusetts Institute of Technology economists Daron Acemoglu and Pascal Restrepo. Entitled "Robots and Jobs: Evidence from US Labour Markets," the paper finds evidence that robots are already costing American jobs. Given that automation-induced job loss is often casually called the "rise of the machines," it's no surprise that Acemoglu and Restrepo's study seems to confirm people's worst fears.

But a closer look at the paper shows that it actually gives reason not to be too concerned about the near-term impact of automation. Despite the attention-grabbing headline about robots, the paper is really more about other factors — and its message is far from apocalyptic.

Robots, you see, are actually a very

That closer look was taken by Lawrence Mishel and Josh Bivens of the Economic Policy Institute, a think tank. In a long essay, they examine the Acemoglu and Restrepo paper in detail. They note that the two economists find that capital investment, and use of computers specifically, tend to increase jobs.

As Acemoglu and Restrepo themselves wrote: "(Our results) suggest that other types of capital equipment and even computers tend to increase the demand for labour." This result underscores the possibility — though certainly does not prove — that industrial robots might have a very different impact on employment and wages than other types of recent technologies.

"Robots," you see, are actually a very as they did in past decades — if people were losing their jobs to automation at a faster rate, we'd expect them to have to retrain more frequently. Mishel and Bivens note that productivity growth and corporate investment in information technology has fallen, which also doesn't fit with a story of accelerating automation. And they show that according to Acemoglu and Restrepo's own estimation, the negative impact of Chinese competition on US jobs was more than three times larger than the effect of robots.

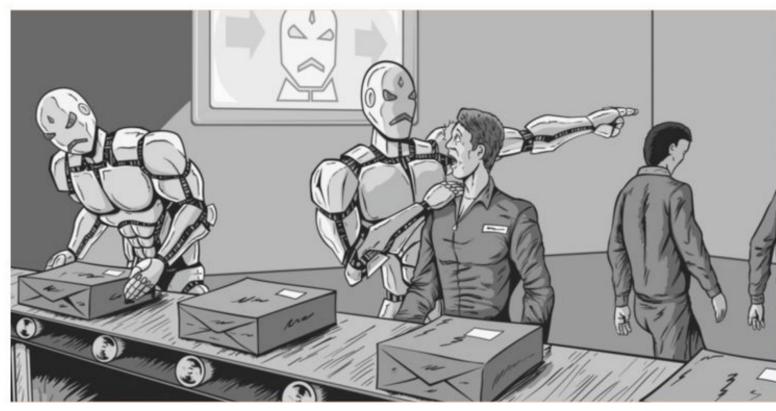
This is quite a convincing rebuttal. It seems clear that the economics press has overlaid the Acemoglu and Restrepo paper. In part, this is probably because of a general anxiety about new technology and automation, which happens in the wake of any big technological revolution. And the fact that the paper had the word "robots" in the title, which just happens to be a trendy buzzword, likely didn't help.

As I said, this doesn't mean automation will never be a concern. But as of today, technology remains good for human employment. Which means automation is far, far down on the list of problems to be confronted. People in the technology industry, especially, should shift their focus away from the automation issue. Entranced by the spectacular progress in their own very narrow fields, and being the types to take science fiction seriously, some tech leaders are touting universal basic income as the only way to save humans from obsolescence and impoverishment.

Instead, they should be focusing more on real, pressing problems. Inequality in developed countries remains severe and potentially harmful to civic society. The productivity slowdown is disturbing and imposes a drag on growth. Reduced economic dynamism, including falling start-up rates and less job switching, is a concern. Monopoly power is a looming threat to the health of the economy. And although wages have been rising recently, those gains come after many years of stagnation or decline.

The US and other developed countries need to work on these issues before they start panicking over science fiction scenarios that have so far shown no signs of materialising.

The writer is a Bloomberg View columnist. Copyright: Asia News Network/The Korea Herald



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narrowly defined type of automation. Most automated-production technologies, from self-checkout kiosks to machine-learning algorithms to automated phone-answering machines, might be called "robots" in common parlance, but the definition of robot used by Acemoglu and Restrepo is limited to fully autonomous multipurpose machines with no human operators. If these machines are one of only a few kinds of automation that are causing job losses, and other forms of automation are complementing human beings and creating new jobs, the labour market is probably in good shape.

Mishel and Bivens also give some other reasons to be sceptical of Acemoglu and Restrepo's findings. They note that workers haven't been changing occupations as much

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LETTERS TO THE EDITOR

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Bangladesh's meek surrender to India

Bangladesh made it to the semifinals for the first time in the history of Champions Trophy. But they failed to capitalise on the opportunity that came their way. Our front line batsmen failed miserably to rise to the occasion and crumbled under pressure. Some of the dismissals were simply outrageous. Had it not been the late burst by the Bangladesh skipper, Bangladesh innings would have folded up much below 250. Our bowlers also failed to measure up to expectations.

The Bangladesh team management needs to reevaluate their strategies for the team. However, it is heartening to see that two Asian teams will clash in the final for the coveted trophy.
A.K.M. Ehsanul Haque
Dhaka

Muslims must unite to defeat terrorism

Muslim countries in the Middle East are at daggers with each other over the Shia-Sunni divide. These are all man-made enmities. The result is hundreds of Shia and Sunni Muslims killing each other, and thousands being evicted from their homeland. The Islamic State takes advantage of this diaspora to conduct terrorism in the name of Islam.

The time has come for Islamic scholars and leaders to unite in removing this Shia-Sunni controversy in an effort to defeat IS and protect human rights around the world. There may be differences of opinions between Muslims, but surely the issues can be negotiated peacefully. The 'Madina Treaty' was a clear example set by the Prophet that such a task is possible.
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