6 The Baily Star

The Paily Star

FOUNDER EDITOR LATE S. M. ALI

DHAKA TUESDAY APRIL 17, 2018, BAISHAKH 4, 1425 BS

Myanmar is not fooling anyone

Hoax in the name of repatriation!

YANMAR'S latest stunt of showing that it has started the repatriation process by taking back five Rohingyas, that too not from the main refugee camps in Chittagong where more than a million Rohingyas are sheltered, has only served to add to the suspicion that it is flouting the bilateral agreement with our country. Such a blatant hoax does not fool anyone, least of all the people of Bangladesh. Our home minister has rightly termed it a farce, more so because this so-called repatriation of a handful of people was not in the knowledge of the Bangladesh government, which is contrary to the bilateral agreement. An official of an international human rights organisation has termed it a "public relations exercise in an attempt to deflect attention for accountability for crimes committed in the Rakhine State."

That seems to accurately sum up the motive behind such a hoax and insults the intelligence of Bangladesh's public and government. It only shows Myanmar's disregard for its repatriation agreement with Bangladesh and for the international condemnation of its acts. The agreement stipulated that Bangladesh would give Myanmar a list of Rohingya refugees which it would verify and then start the repatriation process. To apparently take back Rohingyas even without verifying the first list that has been given by our government raises questions.

It is about time that the international community acknowledges the lack of sincerity on Myanmar's side to solve the Rohingya crisis, a crisis that Myanmar has singlehandedly created. The international community must act more decisively so that Myanmar stops playing games and takes the repatriation process seriously. Myanmar must give back to the Rohingyas taking refuge in Bangladesh, their rightful place in the Rakhine state, with full citizenship rights and the guarantee of their safety and dignity when they go back home. And the UN bodies must ensure these conditions.

Stop risking Sundarbans

How many more disasters will it take?

HE Sundarbans suffered another disaster on Saturday when a vessel carrying 775 tonnes of coal sank in the Passur River. This is the fourth time a cargo of coal sank in the mangrove forest in the last three years and is potentially hazardous for the wellbeing of the Sundarbans as coal can reduce the ph (potential hydrogen) of water and increase its acidity, according to experts.

Over the last few years, we have also seen instances of oil tankers capsize in and around the Sundarbans which, too, is extremely harmful for the ecological diversity of the mangrove forest. It seems, however, that we are yet to take the proper lessons from those unfortunate events. Amidst all this, what could potentially be a major

cause for concern is that the government has approved 190 industries to be set up within 10km of the Sundarbans, despite repeated warnings from experts. The river traffic that we see now is possibly a fraction of what it is soon to be, once those factories are established. Given the quality of vessels that ply the rivers of the Sundarbans, and the recklessness of crew as evident from past events, what will happen once the river traffic picks up?

What all this is doing, is actually risking the existence of Sundarbans and its already endangered biodiversity. The government should take lessons from this as to what might happen and reconsider the projects it has approved near the Sundarbans in the interest of safeguarding the mangrove forest, which is also essentially the first line of defence in the coastal regions against various forms of natural disasters.

LETTERS TO THE EDITOR

letters@thedailystar.net

Myanmar's failed PR effort

The Myanmar authorities announced on Sunday that they had repatriated the first Rohingya family from Bangladesh. As reported by media, the repatriation was, in fact, an act of deception. The family in question was linked to the authorities, reported The Daily Star, while Rohingya Blogger, a Europe-based platform of Rohingya activists, linked the family to the administrator of a village that was selected as the entry point for the returning Rohingyas.

Bangladesh called this repatriation effort an "eyewash" and "propaganda", while rights groups termed it "a PR effort". Myanmar has proved that they are not honest even in a symbolic single repatriation. How can the world trust them with the repatriating of a million more? Manzur Alam, By e-mail

Who turned the anti-quota protest violent?

A Bangla daily reported that a student of Dhaka University, Ashiqur Rahman, was shot in the chest while participating in the recently concluded antiquota protest. There are allegations that the bullet may have been shot by activists of the student wing of the ruling party.

This begs the question: who was responsible for turning the protest violent? The government pointed the finger at protesters and filed cases against them. Protest leaders yesterday demanded those cases be withdrawn.

After failing to contain the protest, the government accepted their demands. Now it would be wise for it to honestly investigate who caused

the violence. Rakib Hasnat, By e-mail

We need reliable infrastructure, not megaprojects



ANGLADESH newspapers bring me good news and sometimes not so good ones too. In the latter category, I include accounts of tailbacks, road accidents, power

failures, and factory fires. While one realises these are but symptomatic of a country that is growing and has underinvested in infrastructure, these problems are not just headaches that you deal with but also have significant economic costs. I do not intend to get into the details of the economic costs of traffic jams or the damages caused by potholes or delayed infrastructure projects. A question that often raises its ugly head is, in our efforts to reach the middle-income status fast, are we selling out on future growth potential? What I am referring to is our focus on short-term gains in terms of GDP growth as we disregard the perennial problem of inadequate investment in infrastructural projects, which often have a longer-term payoff?

Two recent news items in The Daily Star (DS) received a lot of attention. One of them highlighted the deplorable condition of the Dhaka-Chittagong fourlane highway, and the other pertained to a lack of infrastructural investment in Bangladesh. The Dhaka-Chittagong highway costing Tk 3,600 crore was finished in December 2016 but started falling apart after only six months of operation. The cost per kilometre was Tk 25.71 crore or USD 3.13 million, which was higher than the cost in India or China. How does this happen? A prime suspect is corruption, according to Dr Zahid Hussain of the World Bank's Dhaka Office.

Last year, at a roundtable on "Road to 2030: Strategic Priorities" held in Dhaka, participants strongly advocated for greater investment in infrastructure to expedite economic growth. "The amount of spending is inadequate compared to the investment made by peer countries," said Abul Kasem Khan, president of Dhaka Chamber of Commerce and Industry (DCCI). According to the DCCI, Bangladesh's infrastructure spending stands at only 2.85 percent of GDP, in contrast to 10 percent in Vietnam, 9

percent in China and 5 percent in India, the Philippines, and Sri Lanka. "If Bangladesh wants to attract foreign direct investment and remain competitive it will have to raise investment in infrastructure," said Khan. At the same conference, Professor Mustafizur Rahman of CPD was critical of cost escalation in infrastructure projects as well as shortage of qualified managers for execution of infrastructure projects.

EDITORIAL

The picture that emerges from the two cases outlined above, and confirmed by others, is one of a dialectical contradiction between the forces affecting our national aspirations and economic dynamic. We have an unmet need for infrastructure but resources allocated through the budgetary process and private investment are inadequate, misappropriated, or inefficiently spent! The list of problems besetting our large and medium-scale projects, many of which are in infrastructure, includes lack of managerial skills, funding, and poor governance. These failures, almost like a chronic disease, have afflicted our megaprojects including the Padma Bridge project, Rooppur NPP, and Metro Rail, but have not spared other large- and small-scale projects either. It's not premature to raise red warning flags next to the JICA-supported projects in the pipeline, including expansion of Hazrat Shahjalal International Airport, construction and repair of Kanchpur,

From an economic growth perspective, infrastructure is not only an enabling factor for development and for facilitating private investments and competitiveness but can be an attractive investment opportunity in itself.

Meghna and Gumti bridges, Matarbari power plant, and the underground power substations.

It can be argued that not all our infrastructure projects are in bad shape, and some have good performance records. The Jamuna Bridge, the thermal power plants, ICT projects, and some of our road projects have contributed significantly to our economic growth and quality of life. However, it is also true that we could have done better and, to use a technical term, we have not reached our growth potential, as many observers have mentioned.

Bangladesh ranked 114th out of 138 countries in the World Economic Forum's Infrastructure Competitiveness Report 2016-17. The World Bank's Doing Business Report 2018 showed that Bangladesh ranked 177th among 190 economies. According to an OECD report, total global infrastructure investment requirements by 2030 for transport, electricity generation, transmission and distribution, water and telecommunications will come to USD 71 trillion. This figure represents about 3.5 percent of the annual World GDP until 2030. For Bangladesh, which currently invests 2.85 percent, the rate needs to be higher because of the sorry state of our roads, railroads, and bridges.

For Bangladesh to invest 5 percent of its GDP in infrastructure development, as stipulated in the Seventh Five Year Plan, our annual projected outlay ought to be USD 12 billion (Tk 100,800 crore). According to estimates made by DCCI, the total need for infrastructure development is USD 320 billion by 2030, or nearly USD 25 billion a year or 1.5 times the current year's budget. A country's endowment with infrastructure represents a critical factor to sustain economic growth, attract foreign direct investment (FDI) and promote trade. By one estimate, an increase in investment by 1 percentage point of GDP in countries like ours with large infrastructure gaps can raise GDP by 0.4 to 1.5 percent in the following four years.

To sum up, Bangladesh needs infrastructural development, but all of our infrastructure projects run into a problem, known as the "mega project syndrome". The projects run into many type of difficulties including delays, cost overruns, and possibly technical

glitches. The original plans for these projects, whether they are bridges, ports, power plants, roads, transit, construction or skyscrapers, become outdated and then we carry on guided by our "seat of the pants" instincts. Unfortunately, a project management expert, Professor Flyvbjerg of Oxford University has shown that this practice has led to systematic underestimation of the costs and an overestimation bias affecting benefits.

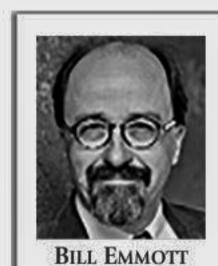
"In order to successfully improve infrastructure in Bangladesh, there must be an increased commitment from the government, in addition to foreign investments. This will ensure that largescale projects will be funded continuously and in a transparent manner," according to The Borgen Project, an international NGO.

However, truth be told, there are some sceptics and nobody articulated the sentiment better than British PM Theresa May. "Infrastructure by itself does nothing," she said. "You can put a bridge between A and B and if nobody's going to use it then, well..." she said, doubtfully. "But if you put up a bridge that allows people to make trips they couldn't otherwise make ... out of that can come connections-investment activity which couldn't otherwise happen." A very keen observation indeed, Madame Prime Minister! All this suggests that it might be advantageous to scale up our infrastructure investment gradually, simultaneously building capacity and strengthening institutions. In the future, the government may create a separate cadre in the BCS Exam to recruit and groom specialists in project management. From an economic growth perspective, infrastructure is not only an enabling factor for development and for facilitating private investments and competitiveness but can be an attractive investment opportunity in itself. Our private sector can be encouraged to seize upon infrastructure investment opportunities, possibly in private-public partnership, and this calls for an enabling environment for such investment, as BIDA chief himself admitted recently.

Dr Abdullah Shibli is an economist, and Senior Research Fellow, International Sustainable Development Institute (ISDI), a think-tank in Boston, USA.

PROJECT **■** SYNDICATE

Xi's strong hand against Trump



HE world witness a historic test of wills between China and the United States, two superpowers whose leaders see themselves as supreme. In the

immediate sense, it will be a battle over trade. But also at stake is the strategic leadership of East Asia and, eventually, the international order. As things stand, China holds a stronger position than many people realise. The question is whether Chinese President Xi Jinping will feel confident or brazen enough to want to prove it.

The test of wills was hardly China's choice; but nor does it come as a surprise. US President Donald Trump's recently announced import tariffs on steel, aluminium, and other Chinesemade goods are in keeping with his brand of economic nationalism. And his decision to accept North Korea's invitation to hold bilateral talks on its nuclear programme reflects the same "bring it on" attitude that he applied to the North's earlier threats of war.

The upcoming test will be historic because it promises to reveal the true strengths and attitudes of the world's rising power vis-à-vis the weakened but still leading incumbent power. For better or worse, the result could shape the world for decades to come.

On the trade front, China's large bilateral surplus with the US could mean that it has more to lose from a trade war, simply because it has more exports that can be penalised. It is often said that surplus countries will always be the biggest losers in any tit-for-tat escalation of tariffs and other barriers.

But this assumption misses multiple points. For one thing, China is more economically resilient to the effects of a trade war than it used to be. Trade as a share of its total economic activity has halved in the past decade, from more than 60 percent of GDP in 2007 to just over 30 percent today.

China also has major advantages in terms of domestic politics and international diplomacy. As a dictatorship, China can ignore protests by workers and companies suffering from US tariffs. In the US, where mid-



Donald Trump and Xi Jinping attend a joint press conference in November 2017.

term congressional elections will be held this November, the outcry from disruptive effects of tariffs. exporters, importers, and consumers

and clear. Of course, Trump, too, might ignore protests against his trade war if he is convinced that taking on China will please his core voters and win him reelection in 2020. But congressional Republicans will probably feel differently, especially if their states or districts are among those being singled out by Chinese import tariffs.

facing higher costs will be heard loud

In terms of international diplomacy, Trump's trade war will help China present itself as the defender of the rulesbased international order and multilateral institutions such as the World Trade Organization. To be sure, not all countries would follow China's lead. The WTO does not recognise China as a market economy, owing to the Chinese government's significant involvement in industry and alleged theft of intellectual property.

But China will have a chance to play the victim, while arguing that the US now poses the single largest threat to the global trading system that it helped create. And if a US-initiated trade war drags on, China's case will become only

stronger as more countries suffer the

Of course, China may choose not to fight Trump's trade war at all. With symbolic concessions—such as an agreement to import US-produced liquefied natural gas or promises to offer new guarantees for intellectual-property rights—it could convince Trump to stand down. But if Xi suspects that a show of strength will bolster China's international standing while undercutting that of the US, he may decide to act accordingly.

The North Korea issue is more complicated. But here, too, China will have an advantage. Even barring real progress in the talks, China already looks like a good global citizen. Over the past year, it has been pressuring the North Korean leader, Kim Jong-un, to negotiate. By participating in coordinated economic sanctions against the Kim regime, and by reportedly capping vital exports of oil and other essentials to the North, China has played its part in bringing Kim to the table.

On paper, the fundamental question is whether North Korea will be willing to abandon its nuclear-weapons programme, the fruit of more than 30 years of work. And as China well knows,

PHOTO: AFP

North Korea would never give up its nuclear weapons without major changes in the military balance on and around the Korean Peninsula.

Kim will likely offer to denuclearise solely on the condition that the US withdraw its forces from South Korea, and perhaps from Japan, too. Barring that, he would not feel secure enough to do without the nuclear deterrence on which he has staked his regime's survival. For his part, Trump could not possibly accede to such a condition. At best, he could agree on a process through which such extraordinary moves might be discussed at a later date.

Either way, China comes out on top. In the event of stalemate, it will have gotten Kim to the table and put America in the position of being a refusenik. And if the US does agree to any military concessions, China's strategic position will be strengthened.

The only real question for Xi, then, is whether he wants to assert China's topdog status now, or sometime in the

Bill Emmott, a former editor-in-chief of The Economist, is the author of The Fate of the West. Copyright: Project Syndicate, 2018.

future.

www.project-syndicate.org (Exclusive to The Daily Star)