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No big surprise in new budget

Ensure efficient use, implement promises

HERE is no big change in the new budget, but it has promised many new reforms and development initiatives. The 48th annual budget of Tk 5,23,190 crore up from Tk 4,64,573 crore—an increase of 12.6 percent—which is 18.1 percent of our GDP was presented in parliament yesterday. These are our initial reactions to it and more detailed analysis will follow.

The budget is targeting an optimistic growth of 8.2 percent, allocating Tk 3,20,469 crore for operation and other expenditures and Tk 2,02,721 crore for the annual development programme. In order to fund this expenditure, the government plans to collect Tk 3,77,810 crore worth of tax and non-tax revenue, of which Tk 3,25,660 crore will be collected through the National Board of Revenue, leaving a deficit of Tk 1,45,380 crore. Tk 68,016 crore of the deficit will be funded using foreign credit while Tk 77,363 crore is expected to come from domestic sources, including Tk 47,364 crore from the banking sector and Tk 30,000 crore from savings certificates and other non-bank sources.

There has been no significant change in the allocation to the education sector which has remained nearly stagnant in percentage terms. Allocation to the health sector has been set at 5.63 percent of total budget outlay this time, up slightly from 5 percent last year. Allocation to the power and energy sector has gone up significantly by 5.84 percent. Other than that, there haven't been many other radical shifts. One point of note though is that the government has again provided scope to whiten black money, subject to investment in the industrial sector.

On the plus side, the government has proposed a two percent incentive on money remitted by expatriates to encourage Bangladeshis to send money into the country from abroad using official channels. And allocation to the social safety net has been increased.

During the budget presentation speech, it was mentioned that the government plans to focus more on our growing youth population. Yet, today we are seeing a huge percentage of our young people not involved in any form of employment, education, or training. A lot of this is due to the lack of jobs being created in the country, which we hope the government will urgently try and address. But the allocation of Tk 100 crore for young entrepreneurs is a positive step.

The government plans to reform the banking sector. However, past policies do not support this claim and we wait to see what substantive steps it takes to achieve that.

It will be a big challenge for the government to collect its targeted revenue. But if it can manage to get the ultra-rich to finally pay their share of taxes, we believe the government can succeed. That, however, remains a big "if".

Overall, we ask the government to ensure efficient use of the budget, cutting back on wastage from previous years, which unfortunately continues to be of significant concern.

Myanmar reneging on its promise

What's next for Bangladesh?

WHILE briefing foreign diplomats in Dhaka on Tuesday, the foreign minister lamented the mendacious position of Myanmar regarding the Rohingya issue, particularly its position on the repatriation of Rohingyas. Anybody who was perspicuous about, and followed, the events in Rakhine, particularly over the last decade and a half, would have concluded that Myanmar's intention of signing the repatriation deal was to use it as a ploy, not only to delay but also defeat any attempt to repatriate the refugees. The fact is, Myanmar had never wanted to stand by its commitment.

Myanmar blaming Bangladesh for the delay in repatriation is really like a thief calling "stop thief"! And unfortunately, most of its neighbours, particularly those with both economic and diplomatic clout, were either gullible enough and believed what Myanmar was dishing out to the world, or chose to disregard the reality and preferred to be a part in spreading tendentious narratives or validating an act of genocide through their own statements on the issue, allowing economic and business interests to triumph over humanitarian considerations.

Myanmar has forced the Rohingyas out of their own country with a particular purpose. All the gestures and actions emanating from Naypyidaw are merely a façade intended to provide a patina of honest intent on their otherwise nefarious design. If they had really wanted to take back the Rohingyas, they would not have started another round of atrocities in Rakhine defeating any prospect of normalcy—a *sine qua non* for repatriation—in that state.

We feel that Bangladesh should base its diplomatic forays on this fact as the basis of formulating its diplomatic policy on the Rohingya issue. While we are happy to note that most of our friends share our position on the issue, we would like to see them go beyond mere expressing mutuality of views and, instead, initiate substantive action to ensure safe return of Rohingyas to their country and safe existence therein with all the benefits that other Myanmar citizens enjoy, not as a gesture of magnanimity but as a matter of their inherent right.

LETTERS TO THE EDITOR

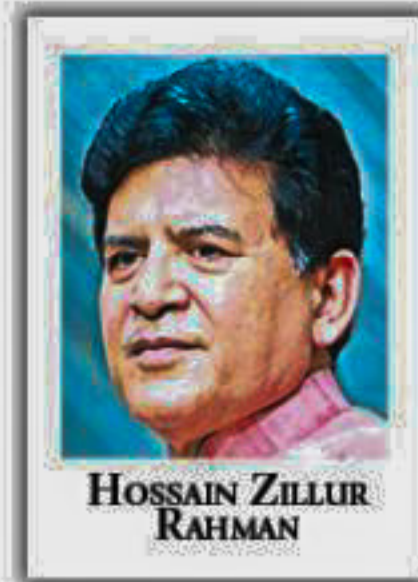
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Combating climate change

Scientists have warned us that if we continue to accelerate climate change, we might pay the cost with our own lives.

Bangladesh has become more conscious about the threats of climate change to our survival. But we have to be more vigilant. The government should only undertake projects that are environmentally friendly, and corporations should sustainably regulate themselves by investing more on Corporate Social Responsibilities (CSR). We should also aim to spread awareness on the importance of the environment among the future generations as well. Samiun, by email

Are policy blind spots driving the urban mess?



HOSSAIN ZILLUR RAHMAN

future, what a storyline of contradictory hues is unfolding! Economic growth. Ever-newer windows of consumption and luxuries. Stupendous every-day miseries of the common citizens. Degraded environment. Palatial abodes and slums jostling for the same urban space. The comic twist is the unending but ever-fruitlet dialogues on planned urbanisation!

Why is the state of urbanisation in Bangladesh as it is? It is not as if there have not been efforts to analyse and understand the problems and challenges. Policy documents and analytical reports making credible efforts to pinpoint the issues and explore solutions have been aplenty. However, what have been out of focus are a few critical policy blind spots, which arguably are driving the urban mess. The first of these blind spots is how we view and assess the presence of the urban poor in our ever-expanding cities. Policy and urban elites and even a section of the academia point at the numerical preponderance of the urban poor as the principal barrier to balanced and planned urban development. The reality is quite the reverse. The urban poor are a critical pillar upholding the economic growth of the cities. Take the case of RMC. Entrepreneurs have certainly played a dynamic role, but can we deny that the biggest selling point for the sector continues to be its "low-cost workforce"? So is the case with many of the other urban growth sectors.

The subterfuge—"karchupi"—in reasoning is quite blatant here. On the one hand, low-cost workforce is a key driver of the growth process. On the other, no logical connection is made to the required agenda of minimal improvement in the quality of lives of these same "low-cost workforce." The larger consequence of this policy neglect of the urban poor is that the larger urbanisation process itself is becoming a victim. Why? Because the very sectors that should have been given priority are also the sectors that ensure balanced development and greater liveability in the cities. For example, public transportation, low-cost housing, urban primary healthcare, and skills education. These are the very sectors that are missing out in the policy and budgetary attention.

If public transportation had been prioritised, this would have served not

only the urban poor but also become the backbone of a liveable and dynamic city. Again, if low-cost housing had been prioritised, this would not only have served the poor but also ensured that the entire spectrum of the urban housing sector had benefitted from modern technologies and building efficiency, thereby producing a more appealing and liveable cityscape. While these solutions are obvious and eminently rational, the reality is that the policy perspectives are being trumped by narrow but powerful group interests that force the policy process to be focused only on their economic advantages and prevent any attention to the issues and priorities of balanced urban development. It is these narrow sectional interests that are dictating what routes will be active, what types of roads will be prioritised, how will urban land allocation be made

been compounded by a new type of policy conceit—a reluctance to use the word "poor" on the reasoning that admission of poverty will pollute our "development image." Such conceit is both ironic and contrary to facts, because the very basis of our "development image" is the hard-working "low-cost workforce"—whether it is in the RMC sector or in remittance earnings.

Prioritising the neglected urban agendas is a key challenge for the new economic managers. We need to prioritise urban health, particularly urban primary healthcare. Dhaka has many shining hospitals but why do our policymakers, our elites and even many of our common citizens prefer to seek healthcare abroad? Why the lack of confidence on the available healthcare? Because we may be creating islands of expensive healthcare but we are not being able to create a

the name of local government budget but those are actually within the purview of central government departments. There is great reluctance among central bureaucracy and national politicians to see urban local governments as capable bodies. The shockingly low budgetary allocations to these bodies are a sure indicator of this policy ambivalence. The policy *karchupi* here is to tell urban local governments to become self-financing bodies while severely circumscribing their scope for raising revenues or getting access to a defined share of central tax revenues. For example, local governments get only an infinitesimal share of the tax on land. Responsibilities galore but a financial cripple—for many urban local governments, this has become a self-fulfilling fate. A typical argument of the central bureaucracies is that local governments lack accountability and have major capacity gaps. But is it not the case with many of the central agencies too? The *karchupi* in reasoning is very clear from the convenient perpetuation of a constructed myth that urban local governments are still "infants" that cannot progress without the guidance of the central *murubbis*, i.e. central bureaucracies.

If our cities are to be rescued from the ever-deeper reality of the urban mess, there is no alternative to confronting these policy blind spots head-on. The urban poor are not the driver of the urban mess. The driver is the policy mind-set that ignores the economic centrality of the urban poor and the consequent need to prioritise their needs for transportation, skills, healthcare and housing. It is not weak city governments that explain the urban mess. It is the plethora of disjointed central projects in the cities, often working at cross-purposes, which drive the urban mess. Projecting the urban poor and the urban local governments as the weak links on the path to balanced and sustainable urbanisation cannot be further from the truth. Perpetuating such perceptions has pushed Bangladesh towards a path of anti-poor urbanisation.

In this budget season, the policymakers and indeed all who embrace the aspiration of graduation to a middle-income country would do well to look beyond the budget maths and confront the policy blind spots that continue to confine the economy's selling point to a "low-cost workforce." If we can confront and go beyond the prevalent anti-poor urbanisation mindset, we can move not only from urban mess to balanced urbanisation, but also set our economic transformation more firmly on a base of skilled and productive workforce from one that rests on the narrow advantages of a low-cost labour economy.

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ILLUSTRATION: NICK LOWNDES

among differing demands. Thus, we see in Chattogram flyovers that see little traffic, while inner *moholla* roads are in a terrible state. Same is the case in many other cities including the capital.

If Bangladesh is to seriously pursue its middle-income dream, it has no option but to prioritise a shift in the policy mind-set to support a transition in the economy from being one of "low-cost workforce" to one of "skilled productive workforce." Middle-income status will not come by itself. We do not have the luxury of natural resources like oil or gold. Our prime resource is our workforce—hard-working, innovative, aspirational. Addressing their legitimate needs is the way forward towards middle-income status. For this, we need to invest in good public transportation, market-responsive skills education, accessible and affordable quality healthcare, and affordable housing. Each of these sectors ultimately contributes to the human capital formation of the urban poor. But it is exactly these investments in which we—the planners, the budget-makers, the higher policy actors—are "missing in action." The problem has more recently

well-structured healthcare system in the cities for all citizens. The urban poor in particular require quality primary healthcare. The situation here is very disjointed with significant gaps. The health ministry has very little footprint in urban primary healthcare. City governments and NGOs have taken up the slack but services are inadequate, disjointed and expensive. The same goes for affordable housing. It is not as if the urban poor are seeking handouts from the policymakers. They are already paying more rent per square foot than even those from the middle class and the upper class. They are very much part of the spending classes, driving the economic wheels. But their needs are not what are keeping bodies like Rajuk awake, who routinely opt not to keep adequate provisions for low-cost housing in their succession of housing schemes.

There is also a second policy blind spot or *karchupi* we need to bring into focus. This is about urban local governments. In the scheme of power configurations, urban local governments remain confined to playing second fiddle to national bureaucracy and national political actors. Hundreds of projects are being taken in

At the intersection of conflict, climate change and energy access



TARANNUM SAHAR

WITH the advent of the 21st century, there has been a steady rise in energy access all around the globe. For the first time ever, the total number of people without access to electricity fell below 1 billion in 2017 according to the International Energy Agency. Despite the increase in the pace of electrification, 13 percent of the global population, mostly concentrated in sub-Saharan Africa and South Asia, still lack critical access to electricity—a factor linked closely with productivity, health and safety, gender equality and education. Without much greater ambition and more intensified efforts, the Sustainable Development Goal (SDG) 7 that has an objective of "ensuring access to affordable, reliable, sustainable and modern energy for all" will be impossible to attain by 2030.

At the same time, as the global community faces the persistent and pervasive challenge of energy poverty, it also needs to address the intensifying human-driven climate disruption and the widespread displacement of people as a result of war, persecution and natural disaster. These critically important crises—energy poverty, climate disruption and displacement—are inextricably linked through the strong overlap in the populations affected by all three predicaments.

There is an unprecedented 68.5 million people forcibly displaced across the world. Many of them end in relief camps, where approximately 90 percent do not have energy access as stated by the Center for Resource Solutions. In addition to refugees and internally displaced persons, majority of the people lacking the most basic of electricity services also count amongst the population most vulnerable to the disastrous consequences of climate change. Mass migration ensuing from the dramatic shifts in our environment has the potential of fuelling political unrests and exacerbating conflict. The communities at risk often lack both the political and economic resources that are

essential in maintaining stability through strengthening climate resilience and adaptive capacity. As a consequence, many countries with significant energy poverty will bear the worst effects of global warming despite having contributed very little to the historical build-up of greenhouse gas emissions.

Taking constructive steps towards climate change mitigation and achieving universal energy access supposedly seem to be in conflict. The reasoning behind this sceptical notion is the assumption that more people getting access to electricity will require further investment in carbon-intensive power systems and greater exploitation of fossil fuels which

some, it is even less expensive than using existing, traditional power plants.

Communities in remote, rural areas or refugee camps located near borders and inhospitable regions of the world are usually situated far away from traditional transmission lines. Installation of capital-intensive grid network is economically unviable as reaching an affordable scale in these places is nearly impossible. In recent decades, decentralised energy solution is becoming an increasingly important factor for expediting electricity access. Deployment of distributed infrastructures is powering a disruptive transformation in the energy sector like never seen before. Through the latest policy brief for SDG

adaptation of distributed systems based on renewables will put a check on the global demand for oil, ease the power struggle over resource-rich areas and cut down energy dominance in political negotiations. Such a transition will help nation states in reducing vulnerability to conflict, and strengthening socio-political stability.

Given the far-reaching benefits and rising practical feasibility of renewables, it is likely that the global community is heading for a future that embraces clean power sources. However, the ultimate question is, will the transition be fast enough to limit global warming to a safe level? The special report on Global Warming of 1.5 degree Celsius published by the Intergovernmental Panel on Climate Change (IPCC) warns that increase in temperature beyond 1.5 degrees Celsius above pre-industrial levels will lead to severe environmental catastrophes and the international community has 12 years to limit that.

As the 25th session of the Conference of Parties (COP25) to the United Nations Framework Convention on Climate Change draws near, it is critical that governments, negotiators, and other stakeholders not only consider a rapid shift towards a clean energy future, but also a transition that is just and inclusive of unserved and underserved communities. While international support is certainly essential in achieving SDG 7, real and lasting progress will also require participation at the national as well as local and regional levels. With the emergence of decentralisation in electrification, the energy sector can greatly benefit from polycentrism—the contribution of multiple stakeholders from numerous spheres.

The present day is a unique moment in the history of energy access expansion, as distributed networks can viably reach the furthest corners of the globe. It's critical to make the best use of this opportunity and drive action towards an energy system that will sustain the earth for future generations, while also stepping up electrification and promoting regional stability.

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PHOTO: SANJAY KANOJIA/AFP

largely contribute to the vast majority of greenhouse gas (GHG) emissions. However, with rapid advancement in alternative energy technologies primarily in areas of efficiency and cost-reduction, it is no longer required to address one crisis at the cost of the other. In the current scenario, communities enduring extreme cases of energy poverty often depend on biomass burning to meet basic energy needs. Replacing biomass with clean sources of energy will significantly bring down deforestation, a step that is vital for climate mitigation and adaptation. Renewables like solar photovoltaics (PV) and wind turbines are less expensive than newly installed fossil-based power plants in many regions of the world and in

7, the UN Department of Economic and Social Affairs emphasised that for over 70 percent of those without access in rural areas, decentralised systems based on renewable energy will be the most cost-effective solution.

The new paradigm demands that decision makers think beyond the "grid versus off-grid" dichotomy and recognise the extensive value of autonomous mini-grids and distributed energy services that utilise local resources and effectively serve specific, regional needs. Reducing dependence on centralised generation further democratises the electricity distribution allowing for local ownership of energy services and increased support for alternative energy. Widespread