

The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

## Raising water price again will be devastating

Dhaka Wasa's push amid high inflation makes no sense

THIS is how a pensioner from Old Dhaka reacted to the news of a proposal to raise water tariff by Dhaka Wasa. "Is this a joke that I will have to pay more for the smelly, yellow water that flows out of my tap?" If we scan through the performance record of this organisation, it will be easy to comprehend the frustration of the elderly client reacting to the possibility of a water tariff hike by up to 40 percent. Other Wasa clients that this daily has spoken to made similar complaints about the quality of water that did not even come regularly, questioning the rationale behind the move. This would be Wasa's third price hike in three years, and 16th in 13 years. While it kept raising the price, it remained unresponsive to the pledge of providing safe drinking water to the vast majority of the capital's 20 million residents.

Its latest bid to increase the tariff—by 38.8 percent to Tk 21 per unit (1,000 litres) for residential use, and by 31 percent to Tk 55 per unit for commercial purposes—would rather bolster its impression of an organisation trying to widen its profit margin at the expense of people's sufferings. For instance, in the 2020-21 fiscal year, Wasa logged a profit of Tk 49.6 crore, up by seven percent year-on-year, according to its audited financial report. At the end of 2020-21, its retained earnings stood at a staggering Tk 892 crore. (Retained earnings are the portion of a company's cumulative profit that is held or retained and saved for future use, particularly for investment purposes.) Experts say since Wasa is already making profits every fiscal year, there can be no justification for raising the price again, especially as it will cause further distress to the people of fixed income amid the economic pain caused by the pandemic and high inflations.

But, as usual, the Wasa managing director, when contacted by our correspondent, remained in denial regarding making any profit. He claimed that its production cost was higher than the tariff, with the government making up the difference with subsidy, and that the subsidy was being counted as profit. He asserted that if the interest, depreciation and other costs were added, profits would not be seen in the financial statement.

Experts, however, are not ready to accept the explanation given by the Wasa boss. Instead of putting the burden on ordinary clients, they have suggested reducing the costs of production and addressing the system loss, among other measures. Whatever the Dhaka Wasa authorities decide to do to reduce the burden of subsidies—or maybe even to make some profit in the end—it cannot be by bleeding the clients further, that too for a product that they cannot ensure the quality of.

## The saga of river killing continues

When will we realise that we cannot survive without our rivers?

HARDLY a day passes by without the media carrying news of a river slowly dying because of people's greed and the authorities' lax oversight. In the last two days, this daily featured reports on the fate of two rivers. One was the lifeline of the district town of Tangail, and the other used to run through the Dumuria upazila of Khulna district. These rivers, Burai and Hori, like hundreds of other dead or moribund rivers in Bangladesh, suffer not because of natural causes, but man-made.

Take the case of the Burai, which flows through the eastern part of the Tangail town. Not many decades ago, people could bathe and fish there. But indiscriminate dumping of waste has blocked the entire river, depriving the town of its major source of water. The Hori, on the other hand, has been encroached upon by land grabbers and brick kiln owners, and the once wide river is now a skeleton of its old self. This has been going on for decades, but the local administration and agencies responsible for protecting rivers never felt the need to address the matter.

As it is, many of our major rivers, tributaries and distributaries are dying because of inadequate water flow from upstream sources outside the country. Reportedly, as per a survey of the BIWTA, there are 310 rivers in Bangladesh. Out of these, 57 are border rivers, the condition of 175 is miserable, and 65 are almost dead. Eighty percent of the rivers lack proper depth. Many are either dead or have lost navigability. The same goes for many canals. Much of the woes of our rivers have to do with industrialisation, since the majority of key industries were built along riverbanks. That may be the case with many other countries, but the way we are destroying and polluting our rivers is incomparable.

Thus, the two aforementioned rivers are but a microcosm of almost all our rivers and canals. And the fates of Tangail town and Dumuria upazila are fairly representative of many major towns and upazilas.

Conurbations have been built around rivers and have perished because of rivers. Our policies and regulations regarding rivers and other waterbodies are plentiful, but their enforcement is absent. Even newly cropped up industrial sites have failed to maintain the environmental requirements; the Savar tannery is a case in point. There is a gross mismatch between what the administration avows, and its practical application. We urge the administration to live up to its commitment to save our rivers.

# The walls are closing in on the lower-income people



### A CLOSER LOOK

Tasneem Tayeb is a columnist for The Daily Star. Her Twitter handle is @tasneem\_tayeb

TASNEEM TAYEB

INFLATION in Bangladesh, like the nation itself, is on the rise. The per capita income saw an 11 percent rise to USD 2,591, from an estimated USD 2,554 for 2020-21 fiscal year. But at the same time, inflation spiked from 5.29 percent in December 2020 to 6.05 percent in December 2021, according to the Bangladesh Bureau of Statistics (BBS). Non-food inflation reached a six-year high in December 2021, at seven percent, followed by a hike of diesel and kerosene prices in November. The skyrocketing prices of essentials have put the common people—middle-income, lower-middle-income and low-income groups, as well as the new poor—in a tight spot, significantly curtailing their ability to cover their monthly essential expenses.

In the midst of an ongoing nightmare for the majority of the population, there are talks of utility prices going up a few notches again, especially in view of rising prices in the international market. Petrobangla has sent a proposal to Bangladesh Energy Regulatory Commission (BERC) to increase gas retail prices by nearly 100 percent, while Bangladesh Petroleum Exploration and Production Company Ltd (Bapex) has suggested a 48 percent hike. If the Petrobangla proposal is approved, consumers will have to pay about Tk 20 per cubic metre of gas, as opposed to the current price at Tk 9.80.

Meanwhile, the Dhaka Wasa recently proposed a 20 percent hike in water tariff to meet the gap between production costs and the price of water. If approved, the hike will be effective from July 1, 2022.

The hike of essential prices is a cause for concern, but what is even more worrying is the rise of utility prices, as the impact of these price hikes cascades down to every sphere of life—from basic utility bills one has to pay, to the production cost of locally manufactured goods, to import costs, to prices of food items in the kitchen markets, to transportation costs. They will create a ripple effect across the economy, exacerbating public suffering.

The government is also apparently in a dilemma over increasing fertiliser prices, which will have a direct impact on food inflation and the livelihoods of farmers.

But how can we wade through this crisis?

"In view of the current reality of this commodity price shock hitting us in the midst of a pandemic, there are four aspects to consider," said former World Bank lead economist Dr Zahid Hussain, while discussing solutions with this writer. "First of all, the government needs to assess whether it will pass on the additional expense to the people or finance it itself. Secondly, if the

government decides to adjust commodity prices, then we would need to look at how the adjustment would be done: what the formula is and if the adjustment would be in line with the international rates. There should be complete transparency in this. Third, with regards to petroleum prices especially, in the past when fuel price was lower in the international market, the

irregularities that this particular sector is so well-known for. In addition, the government should also look into the power overcapacity problem, which is draining money. According to media reports, in 2020-21, about 60 percent of the installed capacity remained unutilised, leading to an avoidable expense of Tk 13,200 crore, which had



ILLUSTRATION: BIPOB CHAKROBORTY

**The skyrocketing prices of essentials have put the common people in a tight spot, significantly curtailing their ability to cover their monthly essential expenses.**

prices were not realigned in Bangladesh, with the justification that the BPC could utilise the opportunity to recover the losses it had shouldered in the past. If that is the case, the BPC should now be in a position to cushion this current shock.

"Finally, the government needs to focus on subsidy prioritisation. It needs to look at the areas where subsidy is benefiting the masses, and where subsidy is benefiting certain groups. For instance, at the onset of the pandemic, the government allocated a stimulus package of Tk 40,000 crore for large industries and the service sector, to be disbursed by the commercial banks as working capital loans at nine percent interest rate, of which 4.5 percent was shouldered by the beneficiaries, and the remaining 4.5 percent by the government as subsidy. In the context of the current rebound of the economy, the government can now reassess the impact and necessity of this 4.5 percent subsidy on stimulus packages for the large industries, and if deemed appropriate, channel some of the funds to cover the price increase of commodities," he said.

Moreover, before considering commodity price adjustment, the government needs to address the system losses in the utility sector and root out

to be paid to the rental power plants as capacity charge. If anything, this is an example of reckless mismanagement of public money and resources.

Given the current scenario—where the lines are only getting longer in front of the TCB trucks selling essentials at discounted prices—the policymakers, the bureaucrats and the relevant stakeholders, including the economists, need to come together and consider all options possible to make the situation bearable for the common people. We do not want our people to resort to desperate measures to make ends meet.

The pandemic has not only claimed lives directly, but has also pushed some to take their own lives in desperation, as they failed to provide for their loved ones. One would remember the case of 26-year-old Khokon Hossain from Rajshahi, who committed suicide in July last year after losing his job during the lockdown. There are many like Khokon Hossain who are finding it increasingly difficult to survive in these trying times. Amid all these, the government cannot and should not make the people more vulnerable by exposing them to higher inflation.

This is an issue that the government and policymakers need to take seriously. The people cannot be hung out to dry.

## Party loyalty in the shifting sand of Indian politics



Pallab Bhattacharya is a special correspondent for The Daily Star. He writes from New Delhi, India

PALLAB BHATTACHARYA

WHEN RPN Singh quit the Congress and joined the BJP on January 25, 2022, he joined a growing list of politicians switching sides ahead of the coming assembly elections in five Indian states: Uttar Pradesh, Goa, Uttarakhand, Punjab, and Manipur. The polls have set off a riveting—many say sordid—drama of defection. Several politicians, particularly elected representatives, have changed sides—in some cases, after giving up long associations with one party, while in some other instances, after five years. The common thread in all the defections is the urge to look for what these party-hoppers think are greener pastures that will help them be on the right side of political power.

Each of the five states has witnessed change of party loyalty, but none more so than India's smallest state: Goa. For more than a decade, politics in Goa has earned the dubious distinction of being the most slippery place as far as party loyalty is concerned. A number of public representatives in Goa have gone back and forth—first joining one party, and then returning to the one they left a few weeks later. The politics of poaching cost the Congress its chance to grab power in Goa in 2017. This time around, Rahul Gandhi ensured that all Congress candidates sign

a "loyalty pledge" post polls. Only time will tell if the "loyalty pledges" are legally binding or if they will stop defection.

What has made the Goa politics more competitive and fragmented this time is the entry of two regional parties, Trinamool Congress (TMC) and Aam Aadmi Party (AAP). Both the TMC and the AAP have poached into the ranks of Congress and small regional parties in Goa to grow in the state. The spurt in party-hopping has extended to Uttar Pradesh and Manipur, where defections are equally as routine as in Goa, and to a lesser degree in Punjab and Uttarakhand.

The two most important reasons for defections are: 1) The defecting lawmakers have either been told by the parties they left that they would not be renominated; or 2) They assess their electoral prospects to be better in the new outfit. But do defectors get rewarded or punished by the people? In India, it is a mixed bag. In some states, turncoats manage to win fresh elections. On the other hand, last year's assembly polls in West Bengal showed that switching party allegiance does not pay off.

A debate over political defections invariably raises legal and moral issues. India's anti-defection law of 1985 stipulates that if two-thirds of legislators switch sides in a group, it is not a defection. In Goa, the Congress emerged as the single largest party in the previous assembly elections in 2017, but the BJP outwitted the former politically by luring the legislators and cobbling a majority, and then cementing that position by poaching 10 Congress legislators. The Goa assembly speaker dismissed Congress' plea seeking disqualification of its 10 legislators, and the party challenged it in the Goa bench of the Bombay High Court.

**A common thread in all the defections is the urge to look for what these party-hoppers think are greener pastures that will help them be on the right side of political power.**

As the High Court is yet to deliver its verdict on the speaker's ruling, the whole issue is set to become infructuous with the fresh Goa assembly polls round the corner.

It is argued that defectors go unpunished mainly due to loopholes in the anti-defection law, and the feet-dragging by a partisan speaker (who belongs to the ruling party) of the legislative forum in giving his or her decision on pleas seeking disqualification of the defecting lawmakers. The speakers often prolong the disqualification proceedings to a point where the tenure of the existing House ends, making the whole exercise meaningless.

Legal experts have suggested some changes and abolition of certain provisions in the anti-defection law in order to discourage defection. One proposal that legal luminary Kapil Sibal, in a newspaper article, makes is that a legislator who defects should go through a "cooling off" period before he or she can join any political party. The senior Congress leader also suggests that a disqualified lawmaker be barred from contesting elections or holding public office for five years from the date of his or her disqualification, and that a timeline of three months be set for the speaker to decide on a disqualification petition. The question is: Will the parties want to push for the changes, as almost all of them have benefited or suffered due to the lacunae in the anti-defection law?

The ills of the free market economy seem to be infecting the body polity. Are we set for a scenario where an elected public representative is turned into a product and, like a commercial item, traded in a free political marketplace?