The Daily Star
FOUNDER EDITOR: **LATE S. M. ALI**

Why so many unfit vehicles?

Number of vehicles with fitness clearance dropped to a record low

We are concerned to see the number of vehicles seeking fitness clearance dropping to a seven-year low, despite registration of new vehicles seeing a sharp rise over the last fiscal year. It should cause immediate alarm for the authorities, as it raises further concerns about Bangladesh's notorious transport sector. According to police reports, at least 3,186 people were killed and 3,500 injured in 3,776 road crashes in the first eight months of this year. Official numbers, however, are much lower than the estimates given by non-government organisations.

Bangladesh has one of the highest fatality rates from road crashes in the world. And one of the reasons for this is the proliferation of unfit vehicles. With the number of vehicles without fitness clearance increasing, the possibility of more unfit vehicles plying the roads increases concomitantly. This means, the number of casualties from road accidents is likely to rise as well. Unfortunately, despite so many casualties as well as numerous protests – including a countrywide student-led movement in 2018 – against the terrible state of road safety in the country, the authorities have yet to take meaningful action to purge our roads of unfit vehicles, unlicensed drivers and other contributing factors that regularly endanger human lives.

A possibility for why the number of vehicles without fitness clearance is rising is the complexity of getting the clearance in the first place. As with all government services, the procedure for getting fitness clearance is time-consuming, difficult, and often requires bribing officials and middlemen. Additionally, the amount of advance income tax (AIT) that a vehicle owner has to pay for fitness clearance rose nearly by 50 percent since July 1, 2021. The owner of a vehicle, between 1501cc to 2000cc, now has to pay Tk 50,000 as AIT – previously, it was Tk 30,000. The additional cost of getting a fitness clearance, according to BRTA officials, could have made a big difference over the last year.

Even in 2020-21, when BRTA offices remained closed due to Covid-19 pandemic, the number of vehicles with fitness clearance was 6.75 lakh – higher than when BRTA offices were open. Presently, at least 5.42 lakh registered vehicles have been operating without the mandatory fitness clearance. Clearly, the number of vehicles seeking clearance has dropped off quite significantly. The authorities need to find out what exactly is causing this, and rectify the situation on an urgent basis.

According to some BRTA officials, owners of certain types of vehicles such as human haulers and trucks have to bribe law enforcers and transport-sector leaders, even if they have fitness clearance. This may further discourage them to take any clearance test. This culture of bribery and mismanagement needs to change if we are to ensure that the system functions properly. Owners must be encouraged to get fitness clearances for their vehicles on time, and any impediment in their way must be removed.

Another wasteful railway project

Costly Demu trains in need of repair within just seven years

We are quite unconvinced about the recent initiative taken by Bangladesh Railway to repair 20 sets of Demu (diesel-electric multiple unit) trains – bought from a Chinese company in 2013 at the cost of Tk 600 crore – that have gone out of order. While the trains were supposed to run for at least 35 years, they became non-functional within 7 years of operation due to lack of maintenance. Reportedly, railway officials couldn't fix them because they didn't have the necessary technology and knowhow to do it. It was also found to be very expensive to get them repaired by the company that supplied them.

However, recently, a team of local engineers repaired one set of trains by replacing the imported technologies with local ones. The success has apparently made railway authorities interested in similarly repairing all the Demu trains. The question is, will that be cost-effective and sustainable in the long run? And why did the trains become inoperative within just seven years?

According to sources at Bangladesh Railway, the total cost of repairing one set of trains may be over Tk 1 crore. This means that over Tk 20 crore would have to be spent to make them all functional again. But what guarantee is there that the plan will work this time? Will it be worth the money and effort? It is, however, good to know from the railway minister that they will take the decision after monitoring the performance of the repaired trains. That should indeed be the case, because repairing all at once at such a huge cost would only be rational if they can run for many years and turn profits for the railway.

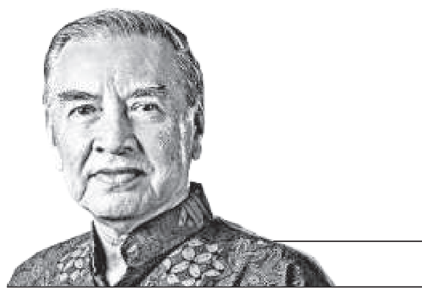
Needless to say, buying these high-tech trains without ensuring the necessary support system was a big mistake on the part of the railway. Reportedly, eight government officials, including some from the railway ministry, went to China to evaluate these trains' performance and suitability for Bangladesh. Clearly, they did not do their job well. We think those involved in evaluating and purchasing these high-cost and high-maintenance trains must be held to account. Otherwise, such waste of public money in unnecessary projects cannot be stopped.

It should be noted that, over the last decade, Bangladesh Railway has become a serial lossmaker. It has not made any profit since FY 2008-09. In the FY 2021-22 alone, it made a loss of around Tk 2,300 crore. While various projects have been taken up to improve its service, a majority of projects could not be completed on time or within budget, and the success of many that were completed was, like the Demu project, short-lived. This is quite unfortunate.

We think the railway ministry must think carefully and critically before taking up such projects in the future, particularly at this time of a serious economic crisis. The authorities must also consider all possibilities before green-lighting the Demu repair project, and hold accountable all responsible for its initial failure.

Will free media be harassed in the name of data protection?

DSA's new curbs and OTT draft rules give the opening



THE THIRD VIEW
Mahfuz Anam
is the editor and publisher of *The Daily Star*.

MAHFUZ ANAM

While Bangladesh is facing all sorts of challenges and our prime minister is regularly warning us about the food crisis that lies ahead, our government's relentless pursuit of putting impediments on the functioning of the free media continues unabated. Nothing appears to either slow the pace or dim the enthusiasm among a section of bureaucrats and policymakers, who appear to see nothing good in free media and miss no opportunity to shackle them under this pretext or another.

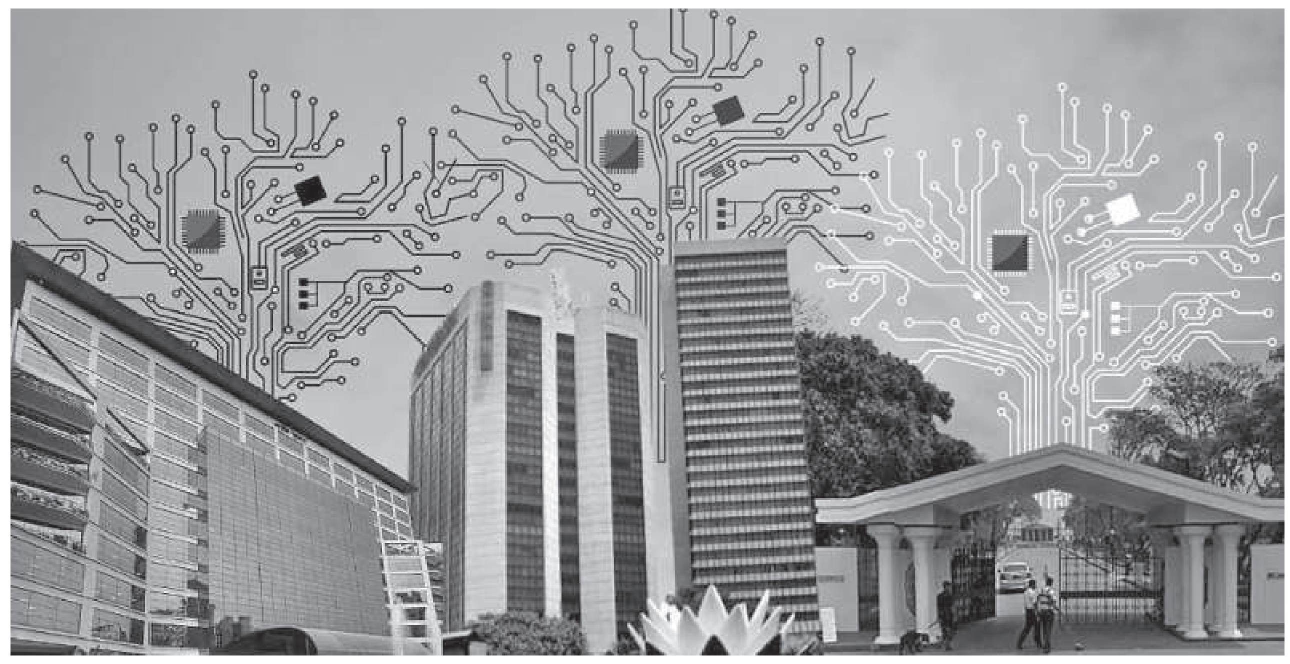
The hugely restrictive and controversial Digital Security Act (DSA), which has already caused havoc to the free media in Bangladesh, has suddenly re-emerged with another set of restrictive initiatives that has us all in the media extremely worried. In a gazette published on October 2 by the ICT Division, 29 institutions have been declared as "critical information infrastructure"(CII) under Article 15 of DSA.

Protecting critical information infrastructure is the government's duty, and we are fine with it. From the media, we will be happy to raise public awareness in the area of cybersecurity. Here, the government and the media are on the same page, and we would be happy to work together.

However, the problems start when we see the vague formulations and lack of clarity of the CII notification and the names of the institutions covered by it. Of the 29 listed bodies – the whole rationale remains unclear – the ones whose inclusion are most likely to hamper the work of journalism include the Bangladesh Bank and state-owned banks such as Sonali, Janata, Agrani and Rupali, the National Board of Revenue (NBR), Bridges Division, Biman Bangladesh Airlines, Bangladesh Power Development Board (BPDB), Dhaka and Chittagong stock exchanges, and the Department of Immigration and Passports, just to mention a few.

When an institution like Bangladesh Bank is designated as a CII without clearly mentioning whether the whole building is a "critical information infrastructure" or only its digitalised operating system, then of course journalists are left confused and worried. So when the next time a journalist enters the Bangladesh Bank, does he or she risk being accused of "illegally" entering a CII facility? Will that journalist then be prosecuted? The question is obviously of access to cover these institutions. Can a journalist now enter the premises of Biman, or the BWDB or even the two stock exchanges to carry out his or her duties?

Let's examine the case of one institution: our national airlines. We can understand that the digital network that controls air traffic, the ticketing system, security for the planes, etc needs to be protected. But what about stories that deal with passenger services, Biman's profitability, its staff qualifications and performance, its commercial operations, its inflight services, etc? To cover these and similar stories, journalists need and must be given access to these institutions and the relevant officials. Being listed as a CII installation and without any clarification as to what is covered by it will definitely result in limiting our access, which may even be denied if sought frequently. Equally of concern is the dire possibility that the concerned officials will become more and more reluctant to share their insights with the media as the whole environment will be driven by restrictions. In time, we will be told that we can only deal with the public relations officer (PRO) of these institutions, and access to other officials will be denied. We might as well stop sending reporters and wait for the press releases from these bodies. We are afraid this new gazette will reduce journalism to "public relations" and prevent us from doing "public service," which is why we exist.



VISUAL: **TEENI AND TUNI**

Then there is the issue of punishment that ranges from seven to 14 years in prison and a fine of up to Tk 5 crore. This high level of punishment together with the vagueness of the provisions makes it almost forbidding for journalists to carry out their professional tasks out of fear. Even life imprisonment is on the table for a crime whose mere definition we do not know.

Supervising the whole process is a director-general whose power is enormous. The DSA states, "If the director-general has reason to believe that any activity of an individual regarding any matter within his jurisdiction is threatening or detrimental to any critical information infrastructure, then he may, suo moto, or upon a complaint of any other person, inquire into the matter." His conclusions may entail anything and, being a government servant, is not likely to reflect the media's point of view. Hence punishment can well be the result.

As if to mock freedom of expression and all of us who demand it, on Wednesday, the government finalised the draft regulation for digital social media and OTT platforms that empowers the Bangladesh Telecommunication Regulatory Commission (BTRC) to block, take down or remove any content that "threatens the secrecy of the government." So, are we to understand that everything that a government does has to be considered a secret? It is the old "official secrets act" in a new bottle. What about the media's primary role of keeping the government accountable by revealing to the public the workings of their elected executive? Will any government voluntarily reveal that their projects are riddled with corruption or that they have failed to provide good governance? Such a provision will directly work against independent media, especially investigative reporting. The final draft clearly states that all the restrictive provisions will apply to "publishers of news and current affairs content or a publisher of an online curated content." The law may be vague in other aspects, but in restricting the media, it is amply clear.

Over the last few days, with the gazette notification of "critical information infrastructure" and the final draft of the OTT rules, we have two new legal formulations meant to restrict the working of the free media.

Are these in preparation for the coming election? We don't want to draw conclusions yet, but are finding it increasingly difficult not to. Pablo Neruda wrote, "You may cut all the flowers, but you cannot keep spring from coming." We say, "You may prevent us from saying what we think to be right, but can you prevent us from thinking what is right?"

PROJECT SYNDICATE

Wars aren't won with peacetime economies

Joseph E Stiglitz
a Nobel laureate in economics, is professor at Columbia University and a member of the Independent Commission for the Reform of International Corporate Taxation.

JOSEPH E STIGLITZ

Politically, the G7 and like-minded countries around the world have adopted a war footing to stop Russian aggression. Russian President Vladimir Putin violated the most fundamental principle of international law by launching an attack on another member of the United Nations – an institution created explicitly to prevent such aggression.

It is a peculiar war. While Putin has described his project as a confrontation with the entire West, Ukrainians alone are doing all the fighting and bearing the full brunt of Russian attacks. Meanwhile, Europe and America have provided economic and military assistance, and the rest of the world has been dealing with the war's fallout, including higher energy and food prices.

But it is a mistake to think that the war can be won with a peacetime economy. No country has ever prevailed in a serious war by leaving markets alone. Markets simply move too slowly for the kind of major structural changes that are required. Wars inevitably cause shortages and generate windfall gains for some at the expense of others. Historically, war profiteers have typically been executed. But today, they include many energy producers and traders who, rather than being marched to the gallows, should be subjected to a windfall profits tax. The European Union has proposed such a measure, but it would come too late, and it is too weak and too narrow for the challenge at hand. Similarly, while several members of the US Congress have put forward bills to tax Big Oil's superprofits, the Biden administration has so far failed to move on the issue.

That is understandable, given that US President Joe Biden has been busy enlisting support for signal achievements like the Inflation Reduction Act and the CHIPS Act. Moreover, in seeking the private sector's cooperation in limiting price increases, he has been at pains not to appear "anti-business." But taxing windfall profits and using the proceeds to finance the necessary war spending and support for those hurt by high prices is not anti-business; it is responsible wartime governance, which is necessary to maintain popular support for the war effort.

Even more comprehensive measures are needed in Europe, where today's electricity market was not designed to deal with wartime conditions. Instead, it follows the principle of marginal-cost pricing. That means the electricity price reflects the highest-cost source of production needed to meet current demand. As fuel prices have soared, marginal costs have risen far above average costs. The cost of renewable energy has, for instance, changed little.

As such, many sellers of low-cost electricity are making a killing, as are the traders who bought energy at the lower pre-war prices. While these market players reap billions of euros in profits, consumers' electricity bills are soaring. Electricity prices in energy-rich Norway, with its enormous gas and oil reserves and hydro capacity, have increased nearly tenfold. Meanwhile, households and small businesses are being pushed to the brink, and even some big companies have already gone bankrupt. The European principle of "no state aid" has been thrown aside, mainly because European leaders moved too slowly in changing a market structure that was not designed for war.

Economists love marginal-cost pricing because it provides appropriate incentives, and because its distributive consequences tend to be small and easily manageable in normal times. But now, the system's incentive effects are small and its distributive effects are enormous. In the short run, consumers and small businesses will have to turn down their thermostat in the winter and turn it up in the summer, but comprehensive energy-saving investments take time to plan and implement.

Fortunately, there is a simpler system that would retain most of marginal-cost pricing's incentive effects without the distributive effects. Under a non-linear pricing framework, households and firms could be allowed to purchase 90 percent of their previous year's supply at the previous year's price, and 91-110 percent of supply at, say, 150 percent of the previous year's price, before the marginal-cost price kicks in.

While non-linear pricing can't be used in many markets – owing to the possibility of "arbitrage" (buying a good at a low price and immediately reselling it at a much higher price) – electricity is not one of them. That is why some economists have long advocated its use in cases where large market failures are having important distributive effects. It is a powerful tool that governments can and should use, especially when confronting wartime conditions.

Such changes have become imperative. As the Vietnamese understood, wars are won as much on the political front as on the battlefield. The purpose of the 1968 Tet Offensive was not to gain territory but to change the political calculus of the war, and it worked. Defeating Russia obviously will require more help for Ukraine. But it will also require a better economic response on the part of the West more broadly. That starts with sharing more of the burden through windfall profit taxes, controlling key prices – such as those for electricity and food – and encouraging government interventions where necessary to alleviate critical shortages.

Neoliberalism, based on simplistic ideas about how markets should operate that fail to comprehend how they actually operate, didn't work even in peacetime. It must not be allowed to stop us from winning this war.

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Printed by him on behalf of Mediaworld Ltd at Transcraft Ltd, 229, Tejgaon Industrial Area, editor@thedailystar.net
Registered & Head Offices: The Daily Star Centre
64-65 Kazi Nazrul Islam Avenue, Dhaka-1215
Phone: 09610222222
Newsroom: Fax- 58156306
reporting@thedailystar.net
Advertisement: 01711623910
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GPO Box: 3257
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