

Can the govt keep its pledge to IMF?

Effectiveness of proposed reforms depends on how they are implemented

The government's pledge to take more than 50 reform measures in three years under the IMF's loan programme is heartening. The reforms are especially necessary to restore macroeconomic stability and bring about structural changes—which are somewhat, if not greatly, interconnected. External shocks have undoubtedly destabilised our economy over the past three years. But their effects could have been mitigated much better had the foundations of our economy been stronger. And that is where structural reforms must come in. Additionally, even though the IMF eased two of its conditions to approve the second tranche of the loan for Bangladesh, meeting future preconditions will also require the implementation of various reforms.

According to the plan, the government will analyse existing tax subsidies and use it to rationalise tax expenditures. Moreover, it will formulate medium- and long-term revenue strategies to provide a structured framework to improve revenue collection over the next four to six years. While both these measures sound promising, the key lies in their implementations. Calls for such measures by experts have gone ignored for years. Thus, we cannot but remain somewhat sceptical on how serious and capable the government truly is in regards to implementing them.

Additionally, the government has to keep in mind that while implementing these reforms, it must seek to avoid increasing inequality any further. In its pursuit to increase tax collection—one of the IMF's preconditions—the government should avoid burdening the lower and middle classes any further and instead bring tax evaders, most of whom have huge earnings, under its tax net.

In order to safeguard priority spending—which we hope includes measures such as social safety net programmes for vulnerable groups—the government said it is committed to containing subsidies and not including capacity charges which have wasted exorbitant amounts of national resources. Although the latter would prove extremely beneficial for the economy, we fear whether the government will indeed have the courage to set aside political considerations to take such a step, given its past records. Similarly, its pledge to reduce non-performing loans (NPLs) in the banking sector has to be taken with a pinch of salt, given that its past decisions have arguably allowed NPLs to balloon to the most absurd extremes.

To minimise borrowing costs, the government said it wants to cut reliance on national savings certificates and look towards other sources of financing. However, given that many vulnerable groups are currently heavily reliant on interest from these, the government should do so carefully and without impacting them too negatively.

Tk 44.55 lakh to inaugurate a building!

Have we really become so oblivious to corruption?

What can be more disappointing for a nation than the realisation that university campuses, which ought to uphold and impart the highest of principles, are now hotbeds of corruption? According to a recent report by *Prothom Alo*, Chittagong University spent a staggering Tk 44.55 lakh during the inauguration ceremony of one of its academic buildings. When asked how the money was spent, the reporter of the daily seems to have been sent on a wild goose chase, with the authorities failing to provide written accounts of their expenditure despite repeated requests for disclosure. When asked to explain why there were no detailed accounts of the expenses, the authorities provided a ludicrous justification—that several sub-committees had been formed to conduct the programme, and hence the organisers could not say for sure how much was spent exactly.

Three members of the organising committee verbally estimated that about Tk 15 lakh was spent on food and entertainment, and Tk 22.88 lakh on lighting, video documentary, cultural programmes and fireworks, while the remaining Tk 6.44 lakh was paid as VAT. To justify the spending of Tk 15 lakh on food, one of the members claimed that they had arranged lunch for about 8,000 people, but the auditorium, where Education Minister Dipu Moni inaugurated the building on November 4, had an audience capacity of 250 people. Senior teachers and officials from different departments stated that such lavish expenditure was unprecedented in the university's history, and estimated that it should cost around Tk 20,000 to arrange such a programme.

At a time when the country is reeling from a financial crisis, and when much-needed investments in students' education, facilities and research have been put on hold, it is mind-boggling that the authorities of a public university can so shamelessly plunder public funds. It is obvious that the authorities did not think anyone would hold them accountable for this transgression. And why wouldn't they hold this assumption, when corrupt administrators have been protected and rewarded by the government time and again?

We join the faculty members, administrators and students in demanding a prompt and impartial investigation into the matter and exemplary action against the relevant administrators (including the VC, proctor, members of the organising committees and accounts officers, among others). If we treat this as business as usual, we risk sending the chilling message to future generations that corruption and criminality are to aspire for.

COP28's hollow victory



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It's the hottest year in recorded human history, and quite possibly the hottest the planet has been in 100,000 years. Reports of hellish wildfires, extreme temperatures, devastating floods, and other climate disasters have become routine global headlines. Scientists are desperately sounding the alarm bells, warning that the Earth's "vital signs" are worse than at any time in human history, and the only way to avoid climate catastrophe is to drastically cut global emissions.

Against this backdrop, the world's fossil fuel industry continues spending hundreds of billions of dollars on fuel extraction, with the energy plans of petrostates openly contradicting promises made in their climate policies. One of those states then hosts a climate conference where the most important people on the planet get together to decide how to avert the impending crisis, with quite a few of them flying in on private jets. The hosts argue that appointing the chief of their national oil and gas company as the summit president is definitely the correct and appropriate thing to do, deny any allegations of conflict of interest, and invite a record number of fossil fuel lobbyists to the meetings.

For those of us who have grown up watching the climate emergency unfold, it is baffling to be asked to consider the tepid COP28 statement a victory. If they are only just now coming to this conclusion, what on earth did they even achieve in the previous 27 COPs?

If I were watching this plot unfold in one of those end-of-the-world movies about averting the apocalypse, by this point, I would be quite sceptical of the cartoon-villain-ish nature of the "bad guys." And if the conference ended with a "landmark" deal that does the bare minimum of calling on nations to transition away from fossil fuels, and is then widely appreciated for *finally* acknowledging that dirty energy is the reason the world is on fire—I would probably think I could've done a better job at coming up with a more believable story arc.

Unfortunately, a closer look at the 2023 United Nations Climate Change Conference (or COP28) deal proves



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that reality truly is stranger than fiction. It is also much worse than what we might believe. The deal uses the watered down term of "transitioning away" instead of "phasing out" fossil fuels, despite 130 out of 198 countries supporting the use of the latter phrase. It calls for tripling global renewable energy by 2030, but fails to quantify the goals, therefore giving countries free rein to choose whatever baseline suits them. It uses language promoted by the fossil fuel industry, such as including carbon capture and utilisation and storage (CCUS) as part of "zero- and low-emission technologies," even though scientists have identified CCUS as a limited and inefficient technology that ultimately buys the fossil fuel industry more time to do as they please. The focus on the role of "transitional fuels" has also been called a poison pill that greenlights LNG expansion at the expense of renewables—great news for the US, which became the world's largest LNG producer by installed capacity in 2022.

Finally—and probably most worrying of all for countries like Bangladesh, where climate change is a daily, lived reality, instead of an abstract danger of the future—the deal was wholly ambiguous on the issue of finance. While COP28 did acknowledge that trillions of dollars is needed for

climate adaptation and mitigation, the final text provided no quantifiable amounts or concrete plans. It made no mention of the historic responsibility of developed nations in burning fossil fuels, exploiting poor and resource-rich countries, and accelerating the climate breakdown, and why these developed nations must now ensure global climate justice. As the lead

past two months, we have watched horror unfolding in Gaza while world leaders either looked the other way, or actively supported Israel's "right" to commit war crimes. We all saw how many Palestinians had to be killed before many of these leaders could bring themselves to cautiously refer to "humanitarian pauses" and "ceasefires." Almost 19,000 deaths

negotiator of the Alliance of Small Island States Anne Rasmussen put it simply, "The process has failed us."

Nevertheless, this tepid statement from COP28 is being hailed as "historic" by certain countries for acknowledging what scientists have been shouting themselves hoarse about: that fossil fuels are the root cause of the climate crisis. For those of us who have grown up watching the climate emergency unfold before our eyes, it is baffling to be asked to consider this a victory. If they are only just now coming to this conclusion, what on earth did they even achieve in the previous 27 climate conferences?

The World Meteorological Organization (WMO) has warned that in less than five years, we could breach the crucial 1.5 degree-Celsius warming threshold that was agreed upon in Paris in 2015. Yet, COP28 leaders could not even bring themselves to include a statement on how global emissions should peak by 2025. And, it is business as usual for the world's worst polluters, with the US, Canada, Russia, India, Saudi Arabia, and the COP28 host, the UAE, planning to expand oil and coal production in the coming years.

While this foot-dragging on climate action is infuriating, it is perhaps unsurprising in light of the current global political situation. For the

later, the US continues to veto ceasefire motions, and the UK abstains—the same UK that commissioned three different private planes to fly their leaders to COP28. If recent events have shown us anything, it is that world leaders are not in the least bit interested in justice.

Last month, Oxfam revealed that the richest one percent of the world was responsible for more carbon emissions than the poorest 66 percent, and that many of the decision-makers at COP28 were also in the top one percent of income earners. How can we ever expect true leadership from leaders who are so closely connected to the world's elite—the very people who have lined their pockets at the expense of the planet's life support systems?

It is difficult to not feel defeated by COP28's end results, but if there is one silver lining, it is that the mirage of the fossil fuel era is finally over. There are now more climate activists and advocacy groups than ever before, and their voices are becoming louder with each day. The Loss and Damage Fund is one example of how these movements are, against all odds, pushing through results. After COP28, it is now abundantly clear that, ultimately, the people, and not the powerful, will take on the responsibility of fighting for the planet.

Politicians' wealth surge and why nations fail



OPEN SKY

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Economists Daron Acemoglu and James Robinson, in their famous book *Why Nations Fail*, described the economic history of why some countries get rich and others don't, despite their similar resource bases. Case studies in the book show how different extractive institutions of the government can damage the potential of a country's growth. The same country would be a paragon of development if its institutions were corrected by the political regime.

The Bangladesh Parliament is the most powerful institution in the country since it is the brainstorming hub for lawmakers, who are supposed to shape the nation's fate. Hence, deciding who is nominated to be a member of parliament (MP) is a calculated task. Before deciding on the nominations for the upcoming 12th general election, slated for January 7, 2024, leaders of the ruling Awami League (AL) assured three factors to be considered in the selection process: 1) that the selection

would exclude candidates who made their fortunes overnight by abusing power; 2) that energetic candidates of the new generation would be picked, while elder politicians would be encouraged to retire; and finally 3) that the selection would reward the honest as well as locally engaged candidates while abandon members with sour scandals.

Oddly, the ruling party compromised on all three counts, frustrating even many party loyalists. It endorsed MPs and ministers with nominations even though many of them are notorious for having made their wealth overnight. Many senior politicians of the pre-independence era should have retired by now, but they still crave power. These tendencies are conducive to making a nation fail, as history suggests.

Newspapers have reported on a bunch of nominees who amassed their wealth at a rate that is totally inconsistent with the state of the economy. The food minister's wealth

rose as high as 87 times and his annual income rose 157 times over the last 15 years. How did this happen? If his legitimate salary and other government perks cannot explain this growth, must this not be wealth extracted by abusing power? His annual income doubled over the last five years alone, when the country's economy lived through a pandemic

What all this suggests is the unbridled rise of moral hazards that engulf a nation and force it onto the path which leads to all areas becoming massively politicised, resulting in the youth being eager to become politicians for the wrong reasons—eventually dooming the country to failure.

and other global shocks.

"Health is wealth" gets a new meaning when we look at the growth of our health minister's wealth. Over the last 15 years, his wealth rose by more than 10 times and annual income jumped by almost 12 times. The ICT state minister's cash balance

increased 12 times. Meanwhile, the income of Dhaka South's former mayor increased almost 28 times over the last eight years, from Tk 41.74 lakh in 2015 to Tk 11.53 crore in 2023. One top-ranking AL leader from Jamalpur, who once led the jute ministry, exhibited an increase in wealth of 82 times and an increase in assets of 122 times over the last 15 years.

At least we should thank the Election Commission for sharing information about politicians' surge in wealth. But with the parliament turning into a club for tycoons and defectors, this provision of disclosing information about candidates' income may come to an end someday since it embarrasses the superrich and powerful. The signals most candidates are sending are diametrically opposite to the prime minister's message of zero tolerance against abuse of power to quickly gather wealth. This is not the parliament of which Bangabandhu had once dreamed. Nor does it lend credence to intolerance towards corruption and fighting income inequality in the future.

What all this suggests is the unbridled rise of moral hazards that engulf a nation and force it onto the path which leads to all areas becoming massively politicised, resulting in the youth being eager to become politicians for the wrong reasons—eventually dooming the country to failure.