

Budget aims high

Premium on institutional preparedness and governance

THE proposed budget for fiscal 2003-04 is oversized by past standards. It can even be called bloated. This is not to say it is building castles in the air with fantastically notional figures beyond attainment but to highlight its rather ambitious nature. In fact, the expansionary character of the budget is premised on favourable macro-economic stability, including improved forex reserve, that marked the end of the outgoing financial year. There was something of a break with the skating on the thin ice as the development partners at the Dhaka meet left with more or less a promise for a sizeable development assistance. All of this, coupled with a feeling that the worst in global recession might have been left behind with the Iraq war, inspired the government to take 'an investment oriented expansionary policy with substantial allocations for public investment in social sectors and infrastructures.'

One could discern another very valid reason for setting higher financial and physical targets for the budget. The poverty reduction strategy required 7.0 per cent GDP growth per year in order that we can achieve the millennium goal of reducing poverty by half before the year 2015. The estimated GDP growth at 5.5 per cent is way short of the required annual target. Saifur Rahman has had to propose an unprecedented expansion of the tax net to add to his projected receipts in terms of foreign aids and grants and borrowing from the banking sector.

The expansion of the tax dragnet with an extensive VAT realisation programme increases the possibility of corruption among tax officials. The tendency to evade taxation in collusion with them may increase; business owners and shopkeepers have often complained of oppressive demands from petty tax officials on the one hand and the extortionist mastaans on the other. This may hold true about small and medium-size industrial houses. Big business may not be spared, too. The point we are driving at is that with the expansion of the tax net there is a greater need for supervision, monitoring and accountability within the tax administration. Otherwise, the whole purpose of encompassing the potentially tax worthy income groups will be defeated.

As for the dependence on foreign loans of around Tk 90 billion and domestic borrowing worth Tk 60 billion to meet the 'huge' deficit we have to take into account the huge debt servicing of Tk 30 billion and the crippling effect of defaulted loans on the banking sector.

What is important about any higher target of GDP growth is whether we have an income distribution mechanism whereby the incrementals reach the lower strata of the socio-economic structure. Statistics speak for themselves. Whereas in 1995-96 the share of the very poor in the national wealth was only 10 per cent, it dropped to 1.84 per cent in 2000. At the other pole in 1995-96 fiscal, the top 10 per cent of the country's rich owned 34.68 per cent of the national wealth. This in fiscal 2000 rose 40.72 per cent. The new budget does not prescribe any recipe whilst aiming at the higher growth rate as to how the highly skewed income distribution pattern will be given a whiff of symmetry. The slender increases in old age and vulnerable group pensions, trifle helpful as these maybe, are hardly the stuff of which an egalitarian society is made.

After keeping the revenue deficit within control, the next challenge before the government will be to ensure the quality of expenditure under the Tk 20300 crore ADP and its implementation in the core sectors. The way the last ADP was slashed a few times over and messed up, leaves an impression that implementing the proposed ADP worth Tk 20300 crore would be a Herculean task. Since one-third of the ADP is dedicated to poverty alleviation projects, the stake in the implementation is that much higher.

Although the farm subsidy will lead to some job-creation, we believe local industrial productivity has not been helped adequately because of the visible thrust on imports. As a result, employment may not be generated in the manufacturing sector. We can see that an opportunity is proposed to be given to men with black money to whiten their dubious incomes through investment in the share market. In all, some of the fiscal measures as proposed may need to be pruned including interest rate adjustments to improve the ratio between saving and investment.

The middle class, let alone, the poorer segment of the people would be affected by the high prices of refrigerator, sugar, powder milk, spices, cement, fruits, fish, mobile phone *et al.*

The emphasis on agro-processing industry, information technology, share market, women empowerment and environment is welcome.

We wish the law and order situation had received a pointed attention in the budget as a vital component of the governance issue which is pivotal to economic management and development.

New turn in Indo-Pak relations?

KAZI ANWARUL MASUD

HERE is a feeling of expectancy in the air though no one is sure what the fifty odd years old conundrum will produce. Expectancy resulted from the olive branch extended by Indian Prime Minister Vajpayee from Srinagar to Pakistan to deescalate the sclerosis which has set in the bilateral relations between the two countries. This was promptly followed by a phone call from Pak Prime Minister Jamali to his Indian counterpart and then followed up through exchange of letters between the two. Vajpayee's initiative was naturally welcomed by the world which has remained submerged in the magnum opus history of the sub-continent fifty years old and is currently engaged in the unrelaxed vigil so that a possible catastrophic war does not engulf the region, a distinct possibility till recently when the vast army of the two nuclear powered countries were facing each other eye ball to eye ball.

The tectonic shift in Indian policy has been startling given the face off at the NAM summit at Kuala Lumpur when President Musharrar raised a bilateral issue Kashmir -- at multi-lateral forum which invited a sharp retort from the Indian Prime Minister. In early April Foreign Minister Jaswant Sinha thought Pakistan to be "a fit case" for preemptive attack like that on Iraq because Pakistan had WMD, lacked democracy and sheltered international terrorists. Colin Powell, however, did not find any "direct parallel to the two cases". In February Sinha told an Indian periodical (OUTLOOK- 24th February) in reply to a question about the dangerous possibility of Pak nuclear weapons falling into wrong hands that in his view "nuclear weapons in the hands of Pakistan are already in wrong hands". He insisted that Pakistan must abandon its approach of compulsive hostility and use of cross border terrorism with impetuous and ferocious regularity as an instrument of policy towards India. In March Vajpayee strongly criticised the US for showing weakness towards Pakistan. On other occasions he castigated the West for following a double standard in

combating terrorism.

Pursuant to the Srinagar olive branch positive developments to date have been naming of high commissioners by the two countries; political decision reached on the resumption of bus, rail and air links; and decision to restart talks. Understandably having been bitten twice -- bus visit to Lahore and failed summit at Agra -- India has become cautious and would like to take a "step by step process and resume the dialogue process in a calibrated and well prepared manner" in order to normalise relations with Pakistan (Jaswant Sinha to Hindustan Times

world; hosting second largest (after the US) talent pool of IT specialists; second largest populated (after China) country; as a fairly large economy (GDP \$ 448 billion in 1999); more than a million strong defense force armed with nuclear weapons etc. India feels that she should be a permanent member of the UNSC. She feels happy over President Bush's commitment to develop a fundamentally different relationship with India by opening a strategic dialogue which encouraged Prime Minister Vajpayee to declare that USA and India were "natural allies" both being victims of

Indian DPM reportedly replied that his country was still considering various aspects of the issue before taking a final decision. Advani took this opportunity to express Indian disappointment that enough US pressure was not being put upon Pakistan to stop cross border terrorism.

It is also possible that Vajpayee extended his hand of friendship towards Pakistan to facilitate holding the next SAARC summit in Islamabad. It would not have helped India's image to have been seen as obstructing indefinitely holding of the SAARC summit. As it is one

one looks at the speech delivered by Indian Foreign Minister at the Panteion University at Athens (India-EU relationship 15th January 2003) in which he spoke of the remarkable process by which the European Union came to acquire a political and strategic dimension becoming virtually a United States of Europe, an example Sinha felt, could be emulated by Asia.

If India truly has become disenchanted with the SAARC process it could be because the fundamental issue in Indo-Pak relations has remained unresolved. As late as early June Pak Foreign Minister

state of Jammu & Kashmir was an integral part of India.

Where then is the scope to bridge the vast gap without which no lasting solution of the Kashmir problem and by extension of Indo-Pak relations can be resolved? The positions stated above are not new but reiteration of the old ones totally devoid of any imaginative new elements. One could perhaps consider the advice given by Ambassador Richard Haas of the US State Department who spent almost three decades working on regional conflicts that the inability to resolve big issues should not stop progress on the little ones because the path to large breakthrough was often paved with agreements on small issues. He further advised that since the status of LOC could neither be changed unilaterally nor through violence the two countries should work on issues which could be solved so that bilateral relations could be improved.

Whether one likes it or not the world has irrevocably been changed by the tragic events of nine-eleven when the US lost its innocence regarding its invincibility and realised to its horror that small states can cause as much damage to the most powerful nation on earth as big states can. The other lesson learnt was that non-state actors can also cause immense harm to the innocent as recent events at Bali, Riyadh and Morocco have horribly demonstrated. It is therefore essential that Indo-Pak differences be resolved peacefully as the Europeans have done by moving away from centuries of conflict laden history. In sum, South Asia has more urgent wars to fight, the wars on the grim triad of poverty, ignorance and disease than wage military wars. To emancipate about a billion people from the vortex of poverty and under development South Asian leaders have to shed their politicians' robe and put on the garb of statesmen. The heritage of love or hate they leave for the future generation will affect the fate of teeming millions in the years to come.

Kazi Anwarul Masud is a former Secretary and Ambassador.

In this conflict resolution endeavour all South Asians have direct stake. In the event of a nuclear conflagration none will escape unscathed. In common prosperity all can share. Both India and Pakistan would be well advised to abandon their respective dogmatist position and try to reach a realistic solution. Holding on to a fifty-year old legend will bear no fruit.

6th April). Indians felt betrayed that when Vajpayee was talking to then Pak Prime Minister Nawaz Sharif at Lahore Pak military was preparing for Kargil misadventure presumably keeping the civilian administration in the dark. While Indian caution is understandable the question arises what prompted the Indian Prime Minister to take the peace initiative now. Though dismissed by India that her overture to Pakistan was due to US pressure it is difficult to totally disregard the possibility of foreign pressure in view of frequent visits to South Asia by Richard Armitage and Cristina Roca of the US State department and British Foreign Secretary Jack Straw.

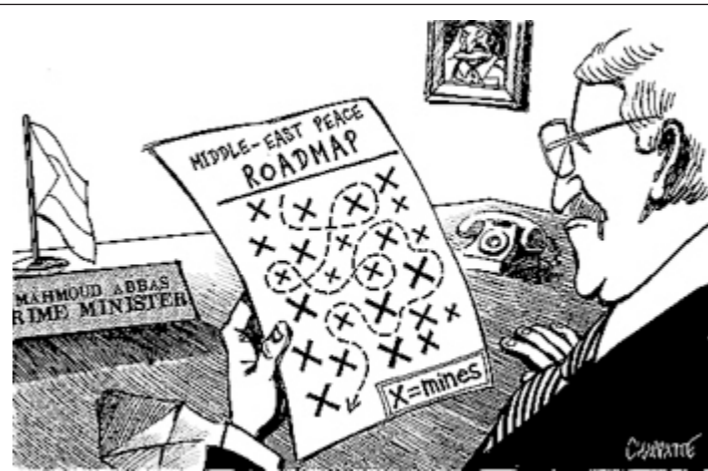
Indians would like to describe their policy change was due to some positive steps taken by Pakistan such as actions taken against Hibul Mujaheddin and lessening of Pak governmental sponsorship and support of cross border terrorism and no less due to Indian Prime Minister's "initiative and statesmanship" which have earned US admiration and appreciation of India's step by step policy of augmenting relations with Pakistan. Indian leaders and policy makers are generally reluctant to admit of doing things under duress. India is very conscious of her unique position as being the largest democracy in the

international terrorism.

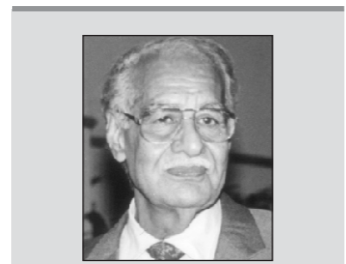
Indian confidence as a critical presence in Asia was recently buttressed when Defence Secretary Donald Rumsfeld called on the visiting Indian Deputy Prime Minister L.K. Advani within hours of his arrival at Washington. This was seen by Indian officials as a very rare gesture shown by senior US government official to visiting foreign dignitaries and an extraordinary honour extended to Advani. Reportedly Rumsfeld was keen to know about Indian reaction to the US request for Indian troops for Iraqi reconstruction to which

wonders about the depth of India's interest in the SAARC. Perhaps, India has reached the conclusion that given the abysmal depth of Indo-Pak distrust and her neighbours' misgivings about India's treatment of bilateral relations with them SAARC would not become a robust organisation any time soon. India is a dialogue partner of ASEAN, a regular participant of ASEM and APEC processes, valued by the EU and the US. Therefore SAARC may not have the same priority for Delhi that it has in other South Asian capitals. This thesis, however, becomes debatable when

Khurshid Kasuri reiterated that as far as Pakistan was concerned the whole of Jammu & Kashmir was disputed territory and its status was yet to be determined as required by UNSC resolutions. Pak Foreign Secretary Riaz Khokar told the Disarmament Conference at Geneva on 26th May that Pakistan hoped that a resumed dialogue between India and Pakistan would address "the core issue of Kashmir without which there cannot be any realistic hope of enduring peace and security in the region". A position paper issued by the Pak Foreign office clearly states that Pakistan will continue to extend full political, diplomatic and moral support "to the legitimate Kashmiri struggle for their right of self determination as enshrined in the relevant UN resolutions". The position paper adds that in the context of bilateral dialogue Pakistan calls on India to translate its commitments into reality. On the Indian side Foreign Minister Sinha was asked in an interview (with RADIFF.COM-4th June 2003) under what conditions, if any, would India be amenable for dividing Kashmir formally along the Line of Control (LOC) and accept it as an international border. In reply he said that the constitution of India and the Resolution adopted in Parliament in 1994 clearly lay down that the entire



Benazir believes time is ripe for a change



KULDEEP NAYYAR
writes from New Delhi

MRS Benazir Bhutto does not sound optimistic about the outcome of Prime Minister Atal Behari Vajpayee's initiative to normalise relations with Pakistan. She fears that some tragedy like the attack on the Indian Parliament might take place to blow up the whole thing. She is all for a dialogue. It does not bother her that it will take place when the armed forces have the last word in Pakistan. For her, all depends on the agreement reached. If it is in the interest of her country, she, for one, would not denounce it just because it was reached under General Pervez Musharrar.

She recalls how she did her bit to tackle the Kashmir problem during her tenure. There was an agreement between New Delhi and Islamabad on the Siachen glacier which could not be implemented because of its untimely disclosure by one of the two foreign secretaries. I ask her: Will you agree to the Line of Control (LoC) becoming the international border? She does not say 'no' or 'yes'. She simply says that the LoC as the solution has not worked in the past 50 years. Even

with all the determination to maintain it, the two countries have not been able to protect it against repeated violations.

As far as she can recall, she says, her father didn't agree to Shimla to convert the LoC into the international border. New Delhi's firm understanding on that point is incorrect. Her father had only suggested seeking some international assistance if the two failed to find a solution. I think her memory may be playing tricks on her. Bhutto never proposed at that time to involve a

favours associating the All India Hurriyat Conference in the state at some stage. Benazir has all the faith in Vajpayee who she believes is 'sincere and honest'. She recalls how impressed she was by his 'integrity and transparency' when she met him last. He is the person who 'really wants to befriend Pakistan', she says without any hesitation. The former prime minister of Pakistan has come a long way from the time I met her first after she had taken Pakistan by storm on her arrival from abroad. At that time she

waste of time when she could utilise the period to speak out even though she would be doing it outside Pakistan? She concedes that she has to return to her people. Yes, she will go back when 'the time is appropriate'.

Benazir does see the danger of fundamentalist forces gaining ground in the absence of genuine, normal political activity. She admits that the presence of Nawaz Sharif and her in Pakistan may make all the difference. She is not happy over the religious forces occupying the territory which political parties

An uprising? This was what Nawaz Sharif predicted in a year's time when I interviewed him at Jeddah last month. Benazir too believes that Pakistan is ripe for it. All segments of the society, whether the bureaucracy, the judiciary, the business class or the academicians, are sick of the situation. All want a change.

Benazir says she is thankful to Nawaz Sharif for his observation during the interview with me that she should become the prime minister and that he would support her. It was

manner during the interview which lasted for one hour. She spoke like a leader who was sure of her followers even in the wilderness. I wish I could disclose the place where I met her. For interviews and meetings, she avoids Dubai, where she lives. She does not want to embarrass the UAE government.

The two aspects of India which Benazir praises are the manner in which the judiciary protects the country's democratic fabric. It rises to the occasion every time there is an attempt to damage it. She is all admiration for Indian writers who give you the feel and rhythm of life in their country. It is so wonderful to see India stand on its own against the West.

Benazir often reminded me of her father, Zulfikar Ali Bhutto, during the interview. He would give you the impression of thinking along with you while tackling a question. Bhutto's reply would be short of clichés. So was hers. Like him, she always has a point of view. You may take it or leave it. And the well known Bhutto trait: vanity. 'All wise men have a sweet tooth,' she said when, after seeing a spread of sweets and cakes, I told her about my weakness for sweets.

Firm ideas well up in her as she talks. It is difficult to keep pace with her. Do words cover up her loneliness? Indeed, she is alone, not because her husband is in jail, but because she does not know how long her journey will be.

Kuldeep Nayyar is an eminent Indian columnist.

BETWEEN THE LINES

Benazir does see the danger of fundamentalist forces gaining ground in the absence of genuine, normal political activity. She is not happy over the religious forces occupying the territory which political parties should.

third party. In fact, he told me before the Shimla conference that he was sick of going round the world chanceries for they had their own axe to grind.

Benazir is not in favour of freezing the Kashmir problem as her father had suggested to me once during an interview at Islamabad. 'It was not incumbent on him and his generation, Bhutto had said, to settle all the problems between Pakistan and India. Let Kashmir be frozen for some time and, in the meanwhile, there should be efforts to normalise relations in other fields. Of course, she wants the two countries to discuss Kashmir. She

was impatient, irritable and even intolerant. She gave the impression as if she knew everything. Her years in the wilderness, more so the sufferings, have made her more mature as well as humble. She now listens to others like a person who is groping for the right answers to the questions of life and politics. Why doesn't she go to Pakistan? I ask her. She discusses the pros and cons but does not reject the suggestion straightaway. She fears that the Pakistan authorities will arrest her and shut her up under "concocted and palpably unjust charges of corruption". Wouldn't years spent in jail be a

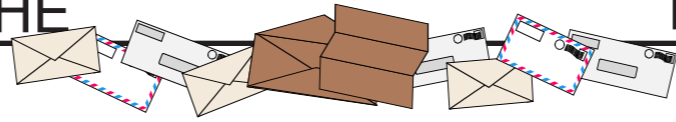
should. But she puts the blame on the military junta for that.

Her own priority is to hold elections under the Human Rights Commission of Pakistan. She wants electoral reforms so as to restore real democracy in her country. For example, she would like votes of all ballot boxes in a constituency to be mixed, instead of counting them box-wise as is the practice now.

Why don't she and Nawaz Sharif return to Pakistan to help restore the political process? She likes the suggestion, wondering whether the authorities will arrest both the former prime ministers on landing in Pakistan. How will the people react?

generous of him' says Benazir. Still she draws a clear distinction between her Pakistan People's Party and the Muslim League of Nawaz Sharif. No doubt both are of the same political genre, but they are separate in ideology and approach. She recalls how the two had decided before the last election to constitute a coalition, the prime minister's position going to the party winning more seats. But what happened during the election everybody knew, how everything was done to defeat the PPP candidates. Relaxed and confident, there was no note of despondency in her speech or

TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR



Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

SQ Chowdhury and defamation case

It's a sheer blow for the whole nation, when a group of ruling party people are all ready to tarnish what little goodness remains of our motherland, when they have no qualms to hassle and try to defame citizens, who unlike them, are working endlessly to uphold the glory of our beloved motherland!

The cases filed against the editors of two prestigious dailies - Prothom Alo and The Daily Star is just an example of such abominable acts. They were too blind to see that the editors were just doing their jobs (and so were those of 10 other dailies, even though it's quite surprising that the other editors went apparently unscathed!)

If these influential people are so concerned about their pride, then I suggest, they step down of the posts they obviously do not

deserve, and make amends for all the wrong doings they have committed so far.

Rumman Fatima Nizam
Sunshine Grammar School and College, Chittagong

Over the past few days I had been closely following the controversies raised over the issue of a letter written by the Secretary General of the Awami League published in the local dailies regarding Mr. S. Q. Chowdhury's nomination to the office of the Secretary General of OIC and now the defamation case lodged by Mr. Chowdhury. As I write this I am almost certain that nothing tangible will come out of this. Neither Mr. Chowdhury nor the ruling party will take any lesson from this even after the matter is resolved one way or the other. There will yet be emergence of other S.Q. Chowdhuries in the coming days. All this is a matter of a kind of mindset and arrogance which are common and often come with "money and authority" (particu-

larly here in Bangladesh).

This so-called defamation case has come about at a very wrong time especially for Mr. Chowdhury when he is lobbying for election to the office of OIC's Secretary General.

I have nothing against Mr. Chowdhury personally but the fact remains that being a member of a family who has lost a brother an illustrious son of the soil during our Liberation struggle, arrogance of the nature do hurt and reminds me of the bygone days of atrocities, brutalities and senseless killings and the principal perpetrators including those who masterminded the "tragedy".

The filing of the case against the two Editors journalists is rather confusing. This only confirms that Mr. Chowdhury is perhaps carrying out a personal vendetta or settling old scores not known to us.

4. This is another classic example of how journalists and journalism are being treated and dealt with

under the present regime. Surely the party hierarchy should have advised Mr. Chowdhury the otherwise.

5. This incident brought back my memories of the two foreign journalists who were hauled up sometime back and after considerable somersaulting by the Government were released resulting into a massive loss in our images of practising democracy and the freedom of the Press.

Thank you Mr. Mahfuz Anam. I also wish to convey my best wishes to Mr. Motiur Rahman. Both of you have nothing to worry but to rejoice for victory shall be yours.

Shamsher Chowdhury
Dhaka

We are quite familiar with the fact that our politicians and leaders seldom behave in a way they should. Most of the time, they use such language and words which can be used by laymen. But a few days ago, while giving a TV inter-

view, SQ Chowdhury has crossed the limit. The way he mocked the editors of some well-known newspapers regarding his defamation case is very shameful. Really, it is high time that our politicians took a short course on "How to behave with others".

Rifat Mahbub
Ripur, Dhaka

DCC is a joke!

I don't understand what the authorities of this city are up to...instead of solving our 'never ending problems' they are contributing more to the growing list, piling up from every direction.

Population has been a major issue for a decade, if not more. I still do not see any initiative taken up by the government, or for that matter none of them in the past did any good either. The work should be taken to the workers, instead out-of-towners are swarming in like bees, going to find a decent livelihood. Decentralisation is essential for

creating more jobs in the rural areas. So much for 'residential areas', the term ceased to exist long ago. The entire town is an industrial dump...there are factories, garments, banks, schools, universities or some sort of institute in every corner of every area! Apartments are 'mushrooming' everywhere, where we have been having crisis baring with the essentials for quite some time; water, sewage, electricity, gas...where does it stop? How can the authorities permit such things to happen - the number of construction/ real estate companies are ever increasing? Hardly a square kilometre can be discovered to accommodate the motionless traffic, and more vehicles are being imported - luxury ones on top of that! Crimes have been ascending in a steady flow, children do not have access to education, not to mention pollution!

The crumbling infrastructure as a whole has taken an express service for Armageddon, and its headed toward it in full speed. The roads are always full of craters after every monsoon- what do they use to

build them? There are no public toilet, the public transportation is just a synonym for dysfunctional, cacophonous contraption (DCC). Hey, that describes our 'Dhaka City Corporation' as a whole, doesn't it?

Shaker
On e-mail

Medicinal plants

Three-month long National Tree Plantation campaign has begun on June 1, inaugurated by the Honourable Prime Minister of Bangladesh. This year, the PM stressed on planting more medicinal plants than fruit and timber trees. This is a very timely emphasis since the medicinal plants are being lost day by day. The World Trade Organization (WTO) has fixed the year 2005 as the last year to register with it any plant or animal known to any country or organisation with the name, ingredients, their usage etc. If the local people are informed about this through mass media then they

would be more interested in planting and preserving their indigenous wealth with full care and enthusiasm.

Most medicinal plants are known to the people by its local name and their usage in curing different diseases. They also know how to grow these plants. But they don't know the scientific name and the actual ingredients that cure the diseases.

Therefore, it is imperative that the botanists help people know the scientific names and ingredients while the scientists may gather sample of all such plants with the help of the local people. Thus the process may be a two-way traffic and the result is mass-awareness in planting, preserving and registering our indigenous biological wealth.

MAS Molla
Dhaka