

Verdict in Shazneen case

Justice delayed, but not denied

A highly traumatic and vicious crime was perpetrated on a 15-year old girl five and a half years ago. It was a case of beastliness being carried beyond all conceivable limits. The trial of the Shazneen rape case has come to end delivering the verdict, though delayed, we would say somewhat unusually, justice has not been denied.

The enormity and heinousness of the crime defy comprehension. The sheer proportion of it, the ganging up behind the act by household employees and the manner in which it was finally carried out, set an instance of the human mind working at its diabolical worst. Words are not enough to condemn it.

The vicious social phenomenon of rape and murder of minor girls was made the most poignant in Shazneen's case.

That said, society cannot remain a silent onlooker to such ghastly incidents. Minor girls must be allowed to grow without the trauma and terror administered by the perverted minds devoid of any human sensibilities.

From the very beginning, we have been highlighting it as a type of crime that must be eliminated to ensure the security of a highly vulnerable group -- minor girls.

The crime, the trial and the verdict have a symbolic value and deeper social message. The snuffing out of a budding life under the most unfortunate circumstances showed that such crime is no respecter of caste, creed and social standing. It can happen in a slum or a posh area. So, as we express our satisfaction with the conclusion of the trial and the handing down of the death sentence to the accused, we expect the wider significance of it not to get lost on society. The judgment should act as a strong deterrent against such criminality in future.

There is another social implication too. The law-abiding citizen's confidence in the judicial system will be restored to a great extent by virtue of this verdict.

Despite the high profile nature of the case and the wide coverage it received in the press, the trial has been this long-drawn. So there is a lesson to be learned from it. The speed of trial of all cases of rape and murder of minors must be accelerated so that justice is not delayed. Society must deal with the criminals who pose a dire threat to the lives of the innocents.

Farm subsidy tantamount to protectionism

Cancun meet must level the playing field for LDCs

Globalisation is based on free movement of goods and services, there are concerns in the LDCs that must be addressed to level the playing field. The huge agricultural subsidies going into the developed economies are making it tough for the LDC agro-products to compete in the global market.

The trade dispute between rich and poor nations includes, *inter alia*, the issues of market accessibility as well as price. Developed countries are pouring in huge subsidies to protect the interest of their farmers and thereby barring similar products to enter their markets from the LDC.

Bangladesh, as a coordinator of 49 LDCs in the upcoming Cancun meet of the WTO, will urge richer nations to concede to LDC demand for withdrawing farm subsidies in their respective countries.

The share of LDC in the global trade is 0.4 per cent although they represent 11 per cent of global population. Rich nations' decision to curtail farm subsidies might go a long way toward creating an ambience to allow agricultural goods from the LDC to compete with similar products of richer nations.

Under the IMF prodding, the LDC had sacrificed a lot over the last decade to prepare their economies to meet the challenges of globalisation. The Structural Adjustment Programme (SAP) has brought misery to millions of workers due to the LDC's decision not to subsidise money-losing enterprises, although many of those enterprises were deemed as national institutions of some sort. The closure of the Adamjee Jute Mills is one such instance in our country.

The LDC also had to adapt to the changing trading environment ushered in by the geopolitical flux in many parts of the world. The preceding decade had witnessed the closure of many traditional industries in the LDC. The compensation for such losses can come through a number of ways, including the developed countries' willingness to allow free movement of labour from the LDC, and creating avenues to facilitate access of LDC agro-products into developed market by removing tariff and non tariff barriers.

LDC and agriculture being almost synonymous, and agriculture accounting for a substantial portion of the GDP of the LDC, major agricultural concessions by the richer nations will spur growth in the agro-sector of the LDC. The developed nations must realise that farm subsidy acts as a non-tariff barrier. Conceptually, it is a protectionist approach which is an antithesis to the free trading paradigm.

Study reveals a net loss of \$24 billion a year by the LDC due to the developed countries' farm subsidy and other measures that tantamount to protectionism. The LDC cannot afford to conduct free trading when protectionism, covert or overt, in the developed world keeps undercutting the gains made by poor nations in many other fields. It's simply a matter of fairness and equity and it must be addressed.

M. SHAHIDUL ISLAM

MONEY mischief begins with tighter monetary policy while the economy suffers from high unemployment and dubious transactions. Milton Friedman, an eminent monetarist, coined the phrase to explain how the quantity of money acts as an arbiter to determine price and wage to affect economic growth.

When the price of almost everything tends to go up, as is happening now, one must assume that some kind of money mischief is at work in the economy. Outwardly, there is nothing wrong in price hikes if earnings go up commensurably, excepting that an increase in money supply, that exceeds output, leads to a gradual depreciation in the value of the currency.

Cheap currency retards growth

Taka's depreciation makes foreign investors more cautious to invest, or to purchase government bonds issued usually to finance deficit. Higher interest rate too curtails demands for funds and leads to higher prices to offset higher costs.

The Consumer Price Index registered an inflation of 4.64 per cent in April 2003, which is substantially higher than the 2.14 per cent registered in 2002. Increased food prices are blamed for 56 per cent of the inflation. Whatever is the cause, Taka's depreciation is depriving consumers of their limited purchasing power; suppressing expected demands for goods and services and hampering growth.

If the quantity of goods and services available for purchase were to increase as rapidly as the quantity of money, prices would tend to be stable. But the supply of narrow money (M1) registered 10.9 per cent growth in the 12 months leading to July 2003, which was only 7.1 per cent in the same period last year. At the same time, broad money (M2) grew by 15.35 per cent in July 2003 compared to 13.55 per cent of the preceding year. We did not produce as much goods and services to match the money we minted.

Money mischief and inflation

Inflation is a global phenomenon as it occurs in many countries simultaneously due mainly to high government spending and large budget deficit. Both the reasons seem

absent in our case. Hence, one can confidently posit that money mischief lay at the center of Taka's depreciation, hence the inflation.

Net domestic financing accounts for only 2.5 per cent of our overall GDP. On the other hand, Bangladesh is the only country in South Asia with a current account surplus, the government expenditure being below 8 per cent of the GDP. Curiously, the rearing of our bureaucracy is so costly that the total public expense by various ministries eats away over 15 per cent of the GDP.

The government's cash flow crisis also stems partly from the huge loss incurred by the 44 State Owned Enterprises (SOE), the cumulative amount of which stands at Taka 1461.55 crore. Add to this the impact of fallen revenue in FY

wave so blatantly that, talks of recession are being whispered only now, despite the US being our main investor and importer.

A text book definition of recession means reduced growth for three consecutive quarters. Based on macro indicators, the World Bank and the Asian Development Bank reported in May 2003 a growth of 5.2 per cent. The same report showed inflation as having increased by 1.6 per cent from the previous year. One must admit that a lot has changed in the economy since May to dampen our expectations further. The rising inflation is the proof of certain deterioration of our economic health.

And, irrespective of the views expressed by our economists, we're indeed passing through an era of uncertainty characterised by lack of focus. The uncertainty springs from

remittance from abroad and the growth in indigenous demand.

Sluggish productivity and export

Contrary to conventional perceptions, our export performance is far below the level of the 1990s. Exports in the 90s grew by an average of 15 per cent. It has registered a growth of only 10 per cent between May 2001- 2003. In the manufacturing sector, growth reduced from 8 to 5 per cent while negative growth was observed in agriculture and in industrial credit.

Available data on labour force employment patterns shows farming, raising livestock and fishing as the primary occupations of 61 per cent of working women. Robust investment in agriculture is hence more

indicative of sluggish demands abroad. Meanwhile, the import payment rose to \$3948.16 million in January-May 2003 from \$3351.15 million of the corresponding period of 2002. This has further appreciated the value of dollar against Taka. If cheaper Taka doesn't stimulate export, why not appreciate it?

Credit crunch

Demand for credit creates enormous pressure on the quantity of money in circulation. As a rule of thumb, central bank reduces prime lending rates to spur borrowing among consumers to stimulate demand if the economy shows signs of illness. This particular monetary dose kicks in when the economy is seen moving towards recession.

The sluggishness in demand and productivity reduced the volume of

reduction in the rate of unemployment that accompanies enhanced investment, the trade off between inflation and unemployment is accepted as the lesser of the two evils. But, run-away inflation and recession can combine to create an explosive mix to generate deflation, or outright stagnation.

Exorbitant lending rates and social instability had already deterred entrepreneurs from undertaking new ventures. Prevailing lending rate hovers between 11 and 13.5 per cent, which is almost parallel to the rates in Sri Lanka. But, unlike us, inflation in Sri Lanka runs between 11 and 13 per cent at times.

One thus becomes cynical about the methodology we use in assessing available data to ascertain the rate of inflation. Is our assessment of inflation a correct one, or it is measured the same way the rate of employment is measured? How come the inflation is still below 5 per cent when prices of almost every essential have increased by 15-25 per cent across the board in recent months?

Of the many methods used to cure inflation, price and wage controls are sometimes considered as immediate palliatives. But such measures can be counterproductive due to the fiscal restraint they introduce while the problem remains, quintessentially, a monetary one. Besides, price hike can occur for other reasons too: due to artificial shortage, sudden surge in demand, degradation of quality of goods produced, change of expectations, etc. Ours is not a demand-pull inflation.

Despite inflation and recession being, virtually, mutually exclusive, the prolonged US recession has a lot to do with the stymied demand elsewhere in the world. To spur global demand, Europe and Japan need to pick the US's tab.

Meanwhile, we should lower our rate of interest to stimulate indigenous borrowing and investment. Once the demand is restored to its optimum level, FDI will follow automatically. But, if the economy inflates further, monetary policy too is likely to be tightened, pushing the lending rates even higher. This could spell disaster for the economy. To avoid such dangers, we must learn to balance out productivity with the quantity of money in circulation.

Author and columnist M. Shahidul Islam is a Senior Assistant Editor of this paper.

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2002-2003, which was Taka 416 crore less than expected. This led to an increase in the government's public debt to 50.07 per cent of the GDP while the debt service milked off another 7.5 per cent. Total external debt, which is 34.3 per cent of the GDP, is a huge sum totaling over \$14 billion.

The yawning gap between gross domestic saving and investment is another indication of money mischief playing its fullest part in our economy through restrictive regulations and underhand dealings. Savings stalled at 17.9 per cent of the GDP over the last three years while investments rose to 23 per cent.

Although the public investment rose by a fraction, the private investment dropped from 7.4 per cent to 7.1 per cent between 1999-2002 due to sluggish domestic and international demands and an inhospitable investment climate marred by the instances of wanton criminality across the country. Both public and private investments must improve as should savings.

Back to recession?

The world economy has been experiencing an US-centric recession for over two years now. We'd feigned seclusion from the global

unresolved issues in the World Trade Organization and from the fear of being crowded out in garment trading following the expiration of the Multi-Fibre Agreement (MFA) in 2004.

The lack of focus stems from our indecisiveness to identify a range of products that would make us competitive in a global market dominated by the 'shock effects' of free trading among the LDCs. Free trading can result in a free fall of the economy if the focus is misplaced. East Asia, particularly Thailand, went through such a fatalistic spell in the late 1990s.

Free trading will impact upon our employment structure due to the seasonal nature of employment of over 100 million of our farmers. As well, the demand for Taka among the 3.4 million expatriate workers nearly equaling the earnings of the 50 million strong labour force employed within, the value of our currency deserves more appreciation. But Taka is so undervalued that its value vis a vis the US dollar had fallen from Taka 16 to one US dollar in 1974 to over Taka 60 today.

Besides, the value of Taka is determined, under the floating regime, on its international demand, which is measured by the volume of export / import transactions, flow of

urgent to stimulate demand in the rural economy. A tight monetary policy can hardly play that trick.

Economic competitiveness is also measured by trade statistics. Our trade deficit ascended to a whopping \$4.52 billion, over \$2 billion of which with China and India. With regards to the performance of industries, as is viewed from the performance of the capital market, the picture is even bleaker. Up to March 2003, total market capitalisation at the DSE stood at Taka 61025 million, which is 1.7 per cent less than the corresponding period of the previous year. And, up to February 2003, only Taka 146 million came as new investment through Initial Public Offering (IPO). If companies fail to raise equity through stocks as well as from credit from scheduled banks, their competitiveness is bound to falter.

That notwithstanding, export grew by 12.4 per cent between January-May 2003 from the previous year's level of \$2715.25 million. The increase was measured in money terms, not in terms of quantity of goods demanded.

The reduced demand for RMG (which accounted for 74.7 per cent of total export as opposed to 76.5 per cent in the preceding year) is

domestic credit from 11.7 per cent in 2002 to 8.7 per cent by July 2003. In the private sector, credit growth plummeted to 13 per cent from the previous year's level of 14.3 per cent.

Thus, by July 2003, the volume of public and private credit registered a decline of 1.7 per cent both in percentage and absolute terms (from the previous year's expansion of 4.9 per cent). The central bank, instead of encouraging borrowing for investment, added further restrictions on project loans and held its tentacle on monetary policy by keeping lending rates high. This is what the Nobel laureate economist, Joseph Stiglitz, called a 'cyclical approach' taken by LDCs under IMF's prodding.

This occurred at a time when the volume of public investment stalled and the flow of Foreign Direct Investment (FDI) reduced to \$16 million only during December 2002-July 2003 (which is 55.6 per cent less than the corresponding period of the previous year). Interestingly, Taka 8,000 crore is reportedly lying in banks while project loans are tightened further by finance ministry directives.

Measuring inflation to tackle it

It's a truism that increases in money supply spur inflation. Yet, due to the

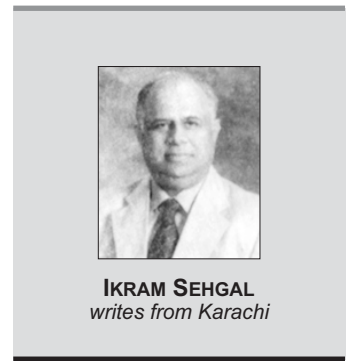
another election is held, this "filibuster" could go on and on. A large number of candidates (including these presently disqualified because of the graduation requirement) will compete for a lesser number of seats. More than 200 present Members of the National Assembly (MNAs), many of them opposition stalwarts, will forfeit their seats, most will not get elected again for varying reasons. There will be lesser effort required for electoral manipulation. While it may not be the ideal solution, but a Parliamentary democracy under the 1973 Constitution will still be better than the Presidential system.

But does this route have any permanency? Or is expediency the only principle? In any case, any democracy that any military ruler oversees will invariably be subject to Presidential diktat in third world countries. However today what we have is a parliamentary democracy with a President enjoying "special powers" that can override Parliament, in effect a Presidential system in all but name.

The Federation requires dissenting voices as much as it needs consensus, strangling dissent leads to frustration boiling over. That could easily snowball, leading to anarchy. The reason d'etre for a Presidential form is to avoid debate and protest thereof, that "technocrat" objective is anathema to the concept of democracy. Democracy "suited to the genius of the people" was the catch slogan of both Ayub Khan and Ziaul Haq. It requires no genius to ascertain that any democracy where the voice of the people is stifled is not conducive for countries like Pakistan.

Ikrum Sehgal, a former Major of Pakistan Army, is a political analyst and columnist.

A presidential system?



IKRAM SEHGAL
writes from Karachi

GRADUATES of the Pakistan Military Academy (PMA) have been Army Chiefs since 1988, they have all been impressive in their own individual right. The first PMA graduate to become COAS, Gen Aslam Beg, could have walked into Presidential office on Aug 17, 1988 but wisely chose to let democracy have its say in Pakistan. Asif Nawaz Janjua would have certainly left his imprint on the nation if his COAS term had not been cut short because of his unfortunate demise. Generally an unsung hero of democracy, Waheed Kakar was a genuine soldier through and through, he must be lauded for (1) putting democracy back on the rails and not succumbing to temptation, (2) disengaging the Army from Karachi and (3) reining back the ISI from its deep involvement in Afghanistan to a lesser inter-action, thankfully. Jahangir Karamat could have easily taken over the reins of government a number of times, he was easily the most cerebral among the lot and we expected a lot more than he eventually gave to the Army, unfortunately he was not equipped to deal with court intrigues. His removal (by resignation) gave the then PM Mian Nawaz Sharif a wrong signal, a feeling of political omnipotence.

This ultimately brought him to grief on Oct 12, 1999 at the hands of

his own appointee Pervez Musharraf when Mian Sahib tried the same "power play" without the finesse of his first civilian "coup". The present incumbent has been impressive in keeping with the quality of his predecessors. Particularly in the realm of external affairs Pervez Musharraf has been outstanding, deflecting the concentrating fire of the western guns that India had contrived over time to make Pakistan the target of.

While Musharraf domestically has been an able administrator the present upswing in the economic situation is really a combination of

Benazir, Mian Nawaz Sharif or Moeen Qureshi. Incidentally these people were close confidantes to all these former PMs. Content with dazzling a basically economically-naïve military regime, the present effort of the "technocrats" (a combination of multi-national company (MNC), world financial institution employees and retired as well as serving bureaucrats) is focused on returning to the previous status quo (of one-man rule) by de-stabilising the present political government somehow and get one of their own in as PM (the Moeen Qureshi example). The aim is always the same, to

have a remarkable similarity. The "decade of reforms" initiated in 1967 was meant to elevate President Ayub Khan to cult status, the public reaction to the overdose of publicity jeopardised Ayub's place in history. Engaging in a variation of a similar exercise is no surprise, these "technocrats" are exhorting the President day in and day out that a Parliamentary form of democracy will not work and to guarantee his place in history and for Pakistan to progress a Presidential system is necessary. Subverting the Constitution by trying to supplement it with a more authoritarian one may be treason

AS I SEE IT

The Federation requires dissenting voices as much as it needs consensus, strangling dissent leads to frustration boiling over. That could easily snowball, leading to anarchy. The reason d'etre for a Presidential form is to avoid debate and protest thereof, that "technocrat" objective is anathema to the concept of democracy. Democracy "suited to the genius of the people" was the catch slogan of both Ayub Khan and Ziaul Haq. It requires no genius to ascertain that any democracy where the voice of the people is stifled is not conducive for countries like Pakistan.

luck and a modicum of good economic governance set in motion since 1993. A military regime has more freedom for implementation than a political one, then again 9/11 proved an economic windfall for Pakistan. Unlike his school and college salad days, Musharraf started being serious about his education during his military career, he is extremely well read and quick on the uptake. Above all, he is decisive. Unfortunately he has not had much help, the civilian technocrats he has worked with and/or penchant for reform, they are generally "B grade" professionals whose loyalties have been on offer to all of his predecessor governments, their ambition being to find fulfillment in whatever in public office was given to them by Ms

acquire it and then hang onto power in their "second" careers.

Their other (and favourite) "technocrat" option is to convince the President to amend the Constitution suitably, done "legally" by the "master-defacer" himself to bring in a Presidential form of government. The technocrats may have all the powers, it is solely and wholly dependant upon the goodwill of one man and that also from the military, therefore the need to legalise the system so as to permit their continuity even without their present mentor, Gen Pervez Musharraf. Taking a look at the close associates and advisors of all the military dictators since Ayub, you will find that Ayub's (and Yahya's and Zia's) associates and those of Musharraf (40 years apart) may even be the same or

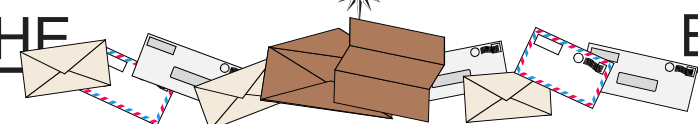
but the stakes are high and in comparison the risk only a calculated one since they have fessed the art of shifting of loyalties to a new master.

Both Ayub Khan and Ziaul Haq are primary examples that a Presidential form of government was built to suit one man, such a system cannot succeed anywhere in the third world. The same wrong advice about having a Referendum in April 2002 eroded the President's genuine popularity. The Zia debacle should have once and for all undercut the credibility of any such exercise, the mere mention of Referendum in Pakistan creates bad vibes. Because some lower minions always try to be "more loyal than the king" and tried to stuff ballot boxes in

ors over the years but provides legal cover and continuity for the future.

When the President stated publicly in Hyderabad recently that if the LFO goes so do the Assemblies, in purely technical terms he is right. What about the increased number of seats, what about the 60-seat enhanced women participation, what about the graduation requirement, etc? In the absence of the LFO what is the legal basis of the system that brought these Assemblies to power? Pervez Musharraf is sitting pretty; except for stray street protest that may or may not turn ugly he would probably ride out the storm. He could then simply opt to go back to the 1973 Constitution and having amended it suitably he would continue his rule while

TO THE EDITOR 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.

Controversial Communicative English

A warm debate has been going on for quite a while on Communicative English. And I want to share my views on this subject with other readers.

In the public examination like SSC, the role of English cannot be underestimated. English is a key subject and it influences the results of the students in all the examinations -- SSC, HSC and even Degrees. But so far, we have never given much thought on how to teach such an important subject?

There are two schools of thought regarding Communicative English. Some of us prefer the old system where grammar is taught thoroughly. Their opinion is that the question papers must be set in such

a way that the examinees would not be able to find the answers in any book available in the market; and there must be translations, corrections, paragraphs, applications and letter writings.

The other school of thought holds a different view. They do not like to make English education a burden to the students. They have given utmost importance to vocabulary; and if people can exchange their views among themselves they consider that their mission is successful and the students who do not like to study grammar have opted for this type of education. As a result, a great number of students failed in English in the SSC examinations of the years 2002 and 2003.

Students of average merit can memorise words but if they do not know how to make a sentence, their knowledge of vocabulary is of no use. They are rather bearing a

burden of vocabulary.

My opinion is that the present system of education based on communicative English should be stopped forthwith otherwise there shall be repetition of the tragedy of the years 2002 and 2003 in future.

Taher Uddin Ahmed
Dhaka

I thank all who wrote about the subject. I specially thank Mr. Oli for exposing "Project hungry English experts" in his letter of 16.08.03.

Although I am not an English expert and belong to the medical profession, I came to know about the flaws of communicative method as I was on the managing committee of few premier educational institutions. I also had the opportunity to attend workshops on Communicative Method (CM). The advocates of CM (as per donors' prescription) talk hours after hours.

But the recipients of the method have remained unconvinced so far. A student is mainly a product of certain educational system. Personal efforts may come only after learning the basics. Before 1971 (as Prof. Zahid Akter mentions), even in rural schools and colleges substantial number of students could write and speak proper English. Those who used to go abroad for higher studies did not need extra English teaching or coaching though speaking and listening abilities vary from person to person.

By the "time-tested method" we mean the system that started before 1971. Most importantly, as per my experiences with the curriculum of school and colleges -- it should be designed by respective teachers only. It should not be imposed by some 'English experts' from universities or by donor agencies. Because it is only the respec-

tive teachers who can assess the perceptive capacity of students of respective classes. From our experiences in last 30 years after independence, it is evident that the prescriptions of "English experts", hired by donor agencies, contributed negatively. These are the people who destroyed fundamentals of English learning in our schools and colleges after 1971.

About English as a medium of education from XI class onwards (as it was before 1971), it should be made optional in all colleges, including the rural ones. And learning English is essential for us. In Europe, higher education in English is conducted only in UK and Cyprus. Other countries of Europe, including poor countries like Albania or Greece, conduct their education in their mother tongue only. The same is true for Japan and China. Those countries which pursue

education in languages other than English are no less developed than the English speaking countries. Rather many of them are well ahead of many English speaking countries.

As a poor nation, we must learn English purely for economic reasons. It should not be driven by the urge of Anglophilia or Bangla phobia. We have to learn English. But it can't happen through the Communicative Method.
Dr. QM Ohidul Alam
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Outlawed Islamist group in Bangladesh

Bangladesh is a religions tolerant country (though the US blacklisted us as a country of Islamic extremists). A couple of years back when the then president of US Bill Clinton came to visit Bangladesh, he

decided to see a village where BRAC operates. But being informed by his intelligence group, he cancelled his trip to that place. They gave red signal not to visit the village because of extremist groups. That was a negative feedback to Bangladesh.

The recent mischief of the outlawed Islamist group, Jama'atul Mujahidin, was the attack on policemen and looting of guns and bullets. According to the report of The Daily Star, when police asked them (assembled outlawed group) to show permission for the meeting, they told the policemen to leave the spot. The moment the policemen threatened to raid the house, about 60 operatives attacked the law enforcers with firearms, sticks, swords and other lethal weapons. Police returned the fire. And when police ran low on bullet supplies, the gang mounted attacks and

looted the arms and ammunition from them.

What a daredevil attack on our policemen by the fanatic Islamist group! Islam doesn't support such type of misdeeds. Islam is a religion of peace and tolerance. These fanatic groups misinterpret the perception of Islam. As a result of their barbaric activities, Islam is being treated as a religion of extremists and the image of Bangladesh in the globe is being lowered. So, my request to the government of Bangladesh is that it should take stern action against these fanatic groups for the sake of country's image.

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