DHAKA WEDNESDAY NOVEMBER 12, 2003

Commodity prices

What should the government's role be?

HE government announced Monday that it would ensure that price charts are displayed in retail markets in Dhaka to inform consumers of the day's prices for essentials. Last week, the parliamentary standing committee on commerce rejected the commerce ministry's report on the recent price spiral and announced the formation of a subcommittee to look into the matter. Let us hope that governmental action to bring down the price of essentials is not limited to putting up price charts.

The issue of what action the government should take to regulate the price of essentials is a tricky one. The commerce minister has been quoted as saying that fluctuations in price merely reflect the law of supply and demand and that there is little the government can or should do to regulate prices.

But of course the problem in our market-places is that speculation and market manipulation continually distort the conventional operation of supply and demand. The question for the government thus becomes what steps it will take to ensure that market manipulation does not cause prices to periodically skv-rocket.

Eid is coming with the attendant steep rise in prices expected. Prices often fluctuate in response to seasonal considerations such as Eid or to political unrest or natural calamities. It is incumbent on the government to craft a policy for dealing with such situations and ensuring that they are not exploited by profiteers at the expense of the common con-

The government must create a supervisory authority so that there is a way for consumers to receive redress for their grievances. The price charts are a good idea but useless without some kind of enforcement mechanism. In addition, making information on the factors that effect the price of goods available to consumers would be a great help as most market $manipulation\,exploits\,gaps\,in\,information\,between\,buyers\,and$

The government need not go so far as to impose price caps or dictate the price of goods. The measures mentioned above would go a long way towards effectively protecting consumers from market volatility and those who would exploit it for gain.

No let-up in Sri Lankan crisis

Snap polls round the corner?

O President Kumaratunga's overture for talks with Prime Minister Wickremesinghe, the latter has agreed to have a dialogue but with a caveat. He is not prepared to talk 'government of reconstruction and reconciliation', the agenda being pressed for by Kumaratunga. That the peace process in Sri Lanka is falling prey to the power struggle between the two leaders is a statement none would contest. Though the truce signed between Wickremesinghe's party and the Tamil Tigers is still in effect, there are creeping doubts as to how long it could last given the present circumstances? The President of Sri Lanka says that national security was compromised when the rebels were given, in her opinion, too much concession in the negotiations.

Assuming what she says is correct, does it mean that she would try and change the character of the government? Why should an elected government be made to take part in a process of forming another government -- that of 'reconstruction and reconcilia-

While Kumaratunga holds the presidency, her party is the official opposition, having lost elections to Wickremesinghe two vears ago. It is undoubtedly an uneasy cohabitation which became even more apparent when the President dismissed the parliament and sacked ministers with sweeping powers vested in her by the constitution. With an all powerful president, it is clearly a parliamentary fiction. Such a system of polity is predisposed towards a collapse. When personal crisis turns into a national crisis, people are at the receiving end of it and in the case of a country like Sri Lanka, the peace process suffers a huge set-

Therefore, in such unpredictable and unstable circumstances, only a mid-term election, as proposed by the prime minister, could help resolve the crisis. The onus lies on the president to set things back on track. Though the Norwegian mediators have returned to Sri Lanka, only time can tell what kind of effect the power struggle would have on the peace process.

Sri Lanka: Why did the President cause a political crisis?



HARUN UR RASHID

N South Asia, bitter personal rivalry among politicians is not uncommon. Often the rivalry goes to the extent that common sense baffles as to why certain politicians conduct themselves in the strange way they do. Sri Lanka appears to be no exception. Furthermore political confrontation is complicated by the fact that Sri Lanka's Constitution allows both the President and the Prime Minister to be elected by people from rival political parties. Here lies the crunch to the present political crisis.

President of Sri Lanka Chandrika Kumaratunga was re-elected by people in December 1999 while Prime Minister Ranil Wickramasinghe obtained majority in the Parliamentary elections in December 2001. They belong to rival political parties that have deep-rooted animosity towards each other for a long time. These two mainstream political parties assumed power almost alternately since the 1960s.

Furthermore Sri Lanka's President is not a titular head under the Constitution and has been vested with powers with respect to defence and security of the country. The Constitution does not require the President to act on the advice of the Prime Minister. The powers of Sri Lanka's President are somewhat similar to those of the President of Bangladesh during the tenure of the non-party caretaker government.

Sri Lanka's Constitution may be compared with that of French Constitution where the President and the

Prime Minister could be elected from rival political parties. In fact, from 1997 to 2002, President Jacques Chirac had to share power with Prime Minister Lionel Iospin from an opposition Socialist party. They "co-habited" politically and ran the government without obvious friction. People expected that the French model would be followed in Sri Lanka and hopefully there would be no political confrontation between the President and the Prime Minister of Sri Lanka. However that has not been the case.

First, although the President's party, the People's Alliance (PA) secured 62 per cent of the vote in 1994 unseating the Prime Minister's party, United National (UN) after 17 years, PA lost in the December 2001 Parliamentary election and UN formed the government headed by Wickramasinghe. PA won 96 seats, while UN 129 seats in the

Second, in 1994, Kumaratunga won the election with a promise to restore peace in the country. Contacts were immediately made with Tamil Tiger

tion and wanted to have a say in the government including in the negotiations with Tamil Tigers as they related to security of the country. Furthermore she accused the government in neglecting the armed forces with necessary arms and equipment required to defend the sovereignty of the country. However the bottomline of her address was that her political party wanted to share power with the Wickramsinghe's UNP alliance in a government under a grand coalition of "national reconciliation"

Sixth, President Kumaratuga sustained an eye injury in an assassination attempt on April 2000 at the hands of alleged Tamil Tigers. Obviously she cannot forget the ruthlessness Tamil Tigers to eliminate their political enemies. She did not approve the actions of the Prime Minister removing the ban on 6 September, 2002 on the Liberation Tigers of Tamil Eelam (LTTE) and threatened to use her executive powers to sack the Cabinet.

In order to forestall this move, the

would not go down well with the people

Conclusion

The President took a big gamble politically to confront her political rival Prime Minister Wickramasinghe. As Sir Winston Churchill once said: " If you have an important point to make, don't try to be subtle or clever. Use a pile driver." It seems Sri Lanka's President heeded to this

If the President does not come out on top of this power struggle, she is likely to face some resistance from an international community which has been interested in Sri Lanka's peace process with the Tamil Tigers. Britain, the US, China and India had expressed fears that the political confrontation might jeopardise the ceasefire agree-

Furthermore, Sri Lanka's economy including its tourism has picked up and has been doing well in last two years, the business people including tourist operators do not seem to be happy with the President's actions that saw the country's stock market fall and foreign investment and tourism are likely to stall in the present situation of political confronta-

Meanwhile the Prime Minister returned on 7th November from the US and denounced the President's moves and vowed to fight what he described as an attempt to derail his efforts to negotiate peace. The 129 MPs of UNP alliance already are reported to have signed a letter to the President affirming their support for the Wickramsinghe's government. Political analysts believe that when the Parliament resumes on 19th November, the government will use its numbers either to bring impeachment proceedings against President Kumaratunga or move to force her to call a snap election. The world has to wait how the political game s eventually played out in the country.

Barrister Harun ur Rashid is a former Bangladesh Ambassador to the UN, Geneva.

BOTTOM LINE

The President took a big gamble politically to confront her political rival ... If the President does not come out on top of this power struggle, she is likely to face some resistance from an international community which has been interested in Sri Lanka's peace process with the Tamil Tigers. Britain, the US, China and India had expressed fears that the political confrontation might jeopardise the ceasefire agreement with the Tamil rebels.

The dismissal of three key ministers (defence, information and interior) from Wickramasinghe's government, suspension of the Parliament until November 19th, and the declaration of a 10-day state emergency by the President, while the Prime Minister was away in the US, stunned many people both inside and outside Sri Lanka. The President called out the army to secure government installations in the capital, Colombo. She explained that she exercised her powers within the ambit of the country's Constitution as she $deemed\,fit\,and\,appropriate.$

However on 7th November she withdrew draconian laws under emergency while the Prime Minister returned on the same day from the US. She also called upon all political parties to form a government of "national reconciliation" to tide over the political

The question is why did the President take such dramatic actions? There are many possible reasons and some of them appear to be as follows:

leaders and the truce collapsed by April 1995. Both parties accused each other of being insincere and duplicitious in the negotiations. The attitude of her government towards the Tamil Tigers gradually became hardened and a series of attacks and counter-attacks and the Tamil Tigers.

After the victory of UN alliance, Prime Minister Wickramasinghe was able to formally sign a cease fire agreement in February 2002, that opened the way for direct peace talks in the 20year-old conflict that had seen some 70,000 people killed. The President was not comfortable with the situation and felt that the Prime Minister had been too soft with the Tamil Tigers.

Third, the President in her broadcast on 7th November made it clear that she delegated her powers on defence and security to the Prime Minister and the Prime Minister did not consult her on the peace-talks with Tamil Tigers. She resumed her executive powers in terms of the Constitusome key elements of security forces and Sinhalese including a section of Buddhist monks are opposed to the peace talks with the Tamil Tigers on a deal that will see full autonomy for the Tamil Tigers in the northern and eastern areas of the country. They consider such a deal by the Prime Minister a complete "sell out" of Sri Lanka's territorial integrity, unity and sovereignty. It is believed that she knows that her actions would find favourable with them. Fifth, the confrontation came just

Fourth, the President is aware that

days after the Tigers agreed to end an eight-month boycott of the peace talks and released a written blueprint for a 'semi-independent" Tamil state, a plan which went well beyond Wickramasinghe's government proposals for Tamil autonomy under a new federal Constitution. The President thought that time was ripe to clamp down on the Wickramasinghe's government on questions of security and territorial integrity as she considered that the government had gone far

removing the President's right to dismiss an elected government. The initiative to curtail the Presidential powers by the Prime Minister is believed to have infuriated the Presi-Finally, President Kumaratunga's political career ends by December 2005 because she will be ineligible to contest

Wickramasinghe's government intro-

duced for consideration an amend-

ment to Sri Lanka's Constitution,

an election in terms of the Constitution. Political observers believe that by adopting these actions she wants to bolster the standing of her party at the next election. In a national television address immediately after the state of emergency, it seems that the President wanted to keep a balance of her actions by affirming the ceasefire agreement of February, 2002 because the Tamil Tigers might suspend the ceasefire and resume their military offensive on civilians and government targets. The people of Sri Lanka are tired of violence and cry out for peace in the country. In that context any resumption of vio-

The stakes in the coming polls: A referendum on the BJP?



PRAFUL BIDWAI writes from New Delhi

VERYONE agrees that the coming five state assembly ✓ elections will influence the shape of the next Lok Sabha, itself due to be elected in 10 months. What's open to speculation is the manner in which the main parties act: the Conrress RIP the Left Rahujan Samai Party and the possible embryo of a "Third Front". Each move by them will redraw the jigsaw pattern of Indian

Going by numerous opinion polls, the Congress has a clear edge in Rajasthan, Delhi and Chhattisgarh; the Madhya Pradesh situation is fluid. Even the India Today-ORG-Marg poll, normally pro-BJP, concedes this. In MP, the vote difference between the Congress and BJP is less than 2 per-

centage points. According to India Today, the Congress's tally in MP is likely to fall to 75-95 seats from 124 seats in 1998. The BJP's 115-135 seats (out of 230).

However, this poll was conducted before Ms Mayawati decided not to field candidates against the Congress in 70 MP constituencies (and in 30, 35, 75 seats respectively in Delhi, Chhattisgarh and Rajasthan), and to work against the BJP everywhere.

Besides BSP support and good rainfall, Mr Digvijay Singh's manoeuvring might help Congress. As will Ms Uma Bharati's negative, overly com-

The BJP is riven by greater factionalism in MP than the Congress. Ms able to overcome the erosion of credibility and other setbacks it has recently suffered with the BSP splitting away in

The Congress is way ahead of the BJP in Delhi and Rajasthan. In Chhattisgarh, says India Today, 46 percent of people rate Mr Ajit Jogi's performance "good", 33 percent "average," and only 15 percent "poor". Fifty-three percent say they are "better off today than two years ago"

Mr Jogi is charged with forgery. But 75 percent of people say he's not guilty

-- a bigot devoted to "re-converting" Adivasis to Hinduism

Falling back upon extremists like Mr Judev/Modi speaks poorly of the BJP. The popular mood is overwhelmingly anti-extremist. Only 10 percent of BJP voters support it for its ideology.

All polls confirm Mr Vajpayee as the BJP's sole asset, with ratings much higher than the party's. Mixing Mr Modi with him, or getting the southern Rajasthan BJP taken over by fanatical Gujarat leaders, makes no sense. Gujarat BJP firebrands will control

defection to the Congress and Rashtriya Janata Dal.

In the 2004 assembly elections, BJP allies like the Indian National Lok Dal are almost certain to do badly. A big question-mark hangs over the Telugu Desam, which is fast running out of political tricks, and courting unpopu-

So the BJP may try the New Third Front option. It seems to have "softened" up Mr Mulayam Singh Yadav, who refuses, despite temptations, to split the party's divided UP unit.

Front could form a government with the BJP's support. Even if it doesn't last, such a government will keep the Congress out of power. If the Congress wins three or all

win 50 to 70 seats, they could have a

veto over who forms the next govern

If neither the Congress nor the BJP

gets close to 180 seats, the New Third

four Hindi-speaking assemblies, that will seriously affect the JD(U) in Bihar and the Biju Janata Dal (Mahapatra) in Orissa. This will silence Mr Sharad Pawar who has of late made noises about the "foreign origin" issue. Even the BSP might reach an understanding with the Congress, as will the DMK (probably a winning combination in Tamil Nadu).

All this could enable the Congress and form the next government. Such a government would be likely supported by the Left, the RJD and Janata Dal (Secular), and possibly by some SP and NCP MPs too.

That will help break the spell of Hindutva, and politically unhinge the BJP. We must all work towards this outcome. India has already paid heavily for Hindutva's rise -- through corrosion of governance and subversion of democracy. We must roll back the Hindutva juggernaut by making

Praful Bidwai is an eminent Indian columnist.

All polls confirm Mr Vajpayee as the BJP's sole asset, with ratings much higher than the party's. Mixing Mr Modi with him, or getting the southern Rajasthan BJP taken over by fanatical Gujarat leaders, makes no sense. Gujarat BJP firebrands will control campaigning in 36 Rajasthan constituencies. That may produce violence, not votes! ... If it loses three or all of the coming assembly elections, the BJP will explore two strategies: consolidate the NDA; and promote a New Third Front.

Bharati cannot choose her candidates. Mr Singh has more freedom to choose his candidates astutely. He's so confident he says he won't hold any office for 10 years if loses!

Even assuming "anti-incumbency" works in the BJP's favour, a transfer of BSP votes could still rescue the Congress. But let's assume that the Congress loses MP. Where does that leave the BJP? Unless the BJP captures one more Hindi-speaking state, it won't be

or they don't know. Conclusion: the BJP will find the going tough in Chhattisgarh--except that the V.C. Shukla-led Nationalist Congress could

heln it somewhat.

The BJP's overall campaign will feature not just Messrs Atal Behari Vajpayee and L.K. Advani, but (gulp!) Mr Narendra Modi, who will address 40 election meetings. The BJP seems set to project as its Chhattisgarh CM the former Rajput prince Dilip Singh Judev

campaigning in 36 Rajasthan constituencies. That may produce violence, not

If it loses three or all of the coming assembly elections, the BIP will explore two strategies: consolidate the NDA; and promote a New Third Front.

The BJP has already got the Samata Party and Janata Dal (United) to merge. But this won't help a majority of the JD (U)'s 18 MPs get re-elected. The merger's real function is to prevent

On September 25. Mr Yaday declared at Jamshedpur that he would have no objection to the BJP if it drops issues like the Ram temple, Article 370 and Uniform Civil Code. The BIP says it's prepared to keep them out of its programme "for the time being".

Equally important to the New Third Front would be the NCP and Ms Javalalithaa's AJADMK, The SP, NCP and AIADMK won't like to be openly

all elections a referendum on the BJP.

OPINION

Anomalies in insurance business

MOHAMMAD AMJAD HOSSAIN

N view of the natural disaster, frequent road accidents and deteriorating law and order situation in Bangladesh the importance of insurance could hardly be overemphasised. Incidentally there has not been serious attempt either by the government or private sector to promote insurance as a protective shield since Bangladesh became independent 31 years back. Lack of knowledge and education about insurance are primarily responsible for not advancing in this field. In 1972, insurance companies that were in operation from Pakistan days were nationalised by a Presidential order. The nationalisation of insurance companies also affected the growth of this industry in like many other industries. In mid 1980's the military regime of General Ershad accorded permission to set up insurance companies in the private sector. The 90's witnessed the opening up of this industry in the private sector on a large scale. In 1996 at least 19 insurance companies were added to the existing number including government owned two insurance corporations viz, Jiban Bima and Sadharan Bima corporation. At least 45 insurance companies are now in opera-

As a matter of fact development of industry and trade are interlinked with the expansion of insurance business. There has been brisk business in this sector when the expansion of industries took place in the 80's. From the beginning of 2000 insurance business has not made any progress although the number of insurance companies has increased. Compared to the growth of the insurance companies the country did not succeed in producing a sizable professionally skilled man-

power to properly handle this intricate business. This particular industry in Bangladesh is having serious problem because of stagnant economy coupled with political instability and

deteriorating law and order situation. Apart from this unhealthy situation, this industry is also affected by the recent decisions of banning commission and credit system and imposing ceiling on establishment cost. According to this decision, establishment cost should not exceed 20 per cent. These measures, so to say, are not encouraging competition in insurance business. National Board of Revenue also has made this industry practically sick by charging VAT on deposit premium against open cover note executed between importer and insurance company. This also appears as a gross violation of insurance act.

Experts in insurance companies are of the opinion that instead of reducing the cost of management it should be raised from the present ceiling of 35 per cent and agency commission should be reinstated to encourage the companies and their field level officers to advance the business. The Controller of Insurance should determine code of conduct for Development Officer, which should be strictly followed by all insurance companies. There has been bad precedent established by some Development Officers who switched over from one insurance company to another without settling outstanding insurance premium. This has caused serious difficulty in certain insurance companies. An insurance company should consider appointing a Development Officer only when he or she submits no claim certificate from the insurance company that he or she served earlier. Insurance companies

while fixing up premiums for the insured item or

items should strictly follow uniform tariff rate. The Controller of Insurance should work as watchdog to ensure the implementation of uniform tariff

Another anomaly, which the insurance companies are confronted with, is that the process of settlement of claims of re-insurer company by Bangladesh Bank entails considerable period of time. This has caused loss of confidence in insurance company by foreign re-insurer.

Insurance is a must for everybody in the present twenty-first century. The importance of insurance, particularly health insurance, has assumed priority all over European countries. Therefore, the government should take such measures as should be congenial for the development of this nascent industry in Bangladesh. Mr. Shakawath Hossain, Chairman, Paramount Insurance Company confided to this writer that "many insurance companies are not sincere to their clients. Insurance company must provide service with promptness it deserves and settle claims as promptly as possibly on the basis of proven documents and evidence. In this free market oriented economy this industry's success lies in efficiency and intelligence in handling of the business "

Propaganda by the government and public relations campaign by insurance companies to make aware the people, business community and industrialists of the importance of insurance need to be carried out in the interest of the welfare of the people and for protection against unseen hazards.

Mohammad Amjad Hossain is a former diplomat and Advisor to Chairman, Paramount Insurance Company.

Is our perception of fear greater than the reality?

VER the past couple of years most of the nation's socioeconomic indicators showed some improvement and infra-structural developments has been quite noticeable across the country, but we have become more fatalistic about the future of Bangladesh. The violent crime rates across the country have been rising, but today more women and children are venturing out of their homes, caring less about their personal safety. Our dispos $able\,incomes\,are\,visibly\,up\,as\,we\,are\,buying\,more\,than\,ever.$ But when our basic needs are met, we are getting increasingly concerned about our inability to pay for luxury items. In eliminating mass poverty, the role of our NGOs has been greatly praised worldwide, yet we worry how come they charge such high interest and how hard they are in ensuring 100 percent recovery. We are certainly living longer and healthier -- life expectancy is heading toward 60 -- and yet we're increasingly anxious about our below par health-care delivery systems.

What do these contradictions mean? Is our perception of fear greater than the reality?

We did not use to worry about pollution in the Buriganga before, now we do. We did not use to worry about vanishing greenery in Dhaka, now we agonise about chopping down trees in Osmani Udyan. The media are continuously feeding us with more worries about the extinction of Bengal tigers, the deforestation of the mangrove forests, the civil rights of our aboriginals, and even the miseries and pain of superior court judges who got their careers shattered by political

It is hard keeping things in perspective when not a day goes by without some motivated faction telling us about a ailing state and how better the Moguls, the British or the Pakistanis were at ruling us. It looks like any group that ruled before is now looking better than the succeeding ruler.

economic transformation in the country and world enough to create escalating levels of anxiety in millions of Bangladeshis? Combining that with the abundance of unique pressure groups eager to prey on those fears, and a media hungry for thrills, is it any surprise we're upset?

In addition, each bit of news is over-hyped and oversold by the Bangladeshi media. I have trouble deciding what presents more danger to my family members in Dhaka -being robbed at home, being hijacked on the street, stabbed at a Bus Terminal, injured in a road accident, or being fed adulterated halim, oily chicken breasts, half-cooked cheese burgers, contaminated carbonated drinks and fatdrenched french fries. If the burger shops and the outlaws do not get them then the earthquakes will, because we are in frantic need of seismic upgrading in the sub Himalayan region. If the earthquakes fail, then mobster mosquitoes will inject them with virulent pathogens. If any of the above happens, I think we can relinquish any

hope of getting cured in our current heath care system. as 70 percent of our doctors are always absent at work (God knows what they do at home all day), hospital premises are even dirtier than Kawran Bazar, our pathological laboratories are contracted out to provide misreadings, and the $electricity\,always\,goes\,off\,as\,soon\,as\,the\,surgeon\,will\,open\,us$ up in the operation theatre.

Have you not also heard that our government is reducing health-care spending and downsizing the public education system and siphoning all the money to our olive-dressed, stone-faced protectors of sovereignty (from whom I have no dea, I wish they themselves had any clue)?

Don't you sweat worrying about what might happen to your children's future at school, given that so many reports ggest that two thirds of our students are failing to pass their higher secondary exams? Does not your heart miss beats when your daughter is approaching 18, and you come

administrators to stop recruiting new teachers and learn how to charge higher tuition fees? Hold on, you must stop worrying about how 300 million

people will be accommodated in this tiny delta by 2050, as by hen your country may be, submerged by the elevated sea level due to melted arctic ice. If enough ice does not melt by that time, India might turn us into a desert diverting all the inland water to its western front. So our country has an equal chance of turning into a reptile-filled swamp or a scorpionfilled desert, the worry is yours.

You must stop feeling as lucky as you thought you were after the godfathers of the past regime escaped two years back, as we have learned lately from our verbose opposition leader that there are now godmothers, godwives and godsons in the new regime. The present godfathers have indeed improved conviction in family values! If you hangon, you may soon meet some godgrandsons during the next

Authenticity does not have a prospect when the promotion of apprehension is so overwhelming in our country. It is our media that promote the names of Sweden Aslam, Subrata Bain and Murgi Milon. Our youngsters know more about Kala Jahangirs (he is not any more a singular number as there is 1 original and 149 fakes, according to a recent DMP press release) than who is scoring the highest GPA in the MBA programme from IBA or who is standing first class first in Electrical Engineering from BUET.

We love to create excitement in our lives to make them interesting. Likewise, Bangladeshis are regularly encouraged to live in a state of inflated agitation. It is a sort of modern-day emotional mugging. The question is who is mugging whom?

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