

As much a question of legality as of credibility

CEC should gracefully resign

THE Chief Election Commissioner's insistence on running the affairs of the important office of the Election Commission in a lopsided, whimsical way clearly borders on absurdity. He continues to give his own interpretation of the latest court ruling on the voter list, blatantly ignoring the perspective of others who have stake in the matter. By sticking to legal jargons, however, he has not been able to convince fellow citizens about his ability to perform the rudimentary task of preparing an authentic voter list, let alone holding a free and fair election. Consequently, today members of the ruling party as well as that of the opposition are in a chorus demanding his exit. Obviously, this has fallen on deaf ears.

That the CEC failed to perceive the enormity of the impending crisis is rooted in the fact that it took a Supreme Court verdict on the High Court order for him to come to his senses. But now the question that haunts us is whether he has come to his full senses yet. It is indeed a pity that we have to argue on legal points of an issue with a judge of his seniority though he should have been able to comprehend the outcome with complete ease and spontaneity. As a person entrusted with the noble work he should have been able to foresee the consequences of his not abiding by the ruling of the High Court. It would be saying the least that he has brought the credibility of the EC and himself under a thick cloud of controversy. To all intent and purpose the EC should have been kept above controversy.

We feel a great deal of time and energy has been lost already. Election is as much an issue of legality as one of credibility. So, we wish to address the CEC and say: People are no longer confident that you can deliver a free and fair election. They have lost faith in you. Perhaps it is time you stopped throwing your weight around in a quixotic manner and took your decision to quit in the best interest of the nation.

Teachers' continuing agitation

The stalemate must end

AT first it was the teachers of the community primary schools, thereafter teachers of the government primary schools and now teachers of the government colleges have waged a movement pressing for an early realisation of their respective professional demands. In terms of rational thinking and reasoning, the demands of the primary school teachers are legitimate.

As it is, our education system is in a pitiable state but now it looks like it has come to a complete halt. On the one hand, the school premises are under lock and key, and on the other, government colleges have shuttered down. The HSC examinations have had to be deferred. We are highly concerned over the state of affairs. This matter of the striking teachers should be resolved without any further loss of time. It could be tied to limitation of funds and other budgetary constraints but the fact remains that the situation has not developed in a day. In fact the ruling party had pledged in its electoral manifesto to nationalise the primary education system. The government has been therefore well aware of the problem all through the past four years and a half and yet nothing happened to improve the teachers' lot. This has created a serious mistrust between the teachers and those who are in the administration. Any promise now being made has little credibility with the striking teachers particularly their leaders. Thus confidence building measures are a dire necessity.

The shutdown of the primary schools affect the future of by far the largest number of our children. Literacy is intertwined with many of our developmental goals. The administration, therefore, cannot and must not sit back and do nothing. The entire nation is anxiously waiting for an early resolution of the severest form of an academic crisis the nation has ever faced.

Dilemma for private TV channels



M. ABDUL LATIF MONDAL

IT was reported in the media last week that prime minister and chairperson of BNP Khaleda Zia summoned three of her party's top brass, the housing and public works minister Mirza Abbas, the Dhaka city corporation mayor Sadeq Hossain Khoka, and lawmaker Mosaddeq Ali Falu to her office and "scolded" them because the news programs on the channels that they owned were becoming increasingly critical of the activities of the BNP-led ruling alliance.

She then asked them to make sure that their television channels play a due role and give proper coverage to the BNP-led four-party coalition. They were called to the prime minister's office after a group of BNP leaders had reportedly alleged that the TV channels -- Boishakhi, Banglavision and NTV -- were not serving the government's

Free and independent media in the country can play an active role in inculcating democratic values among the general people, provide them with a broad range of views that may help them make up their minds, and in the end, favour the oppressed and the weak, regardless of who is in power. The earlier the political parties, whether in power or in opposition, realise this, the better it will be for the nation.

cause. It is mentionable that all the three television channels received their licences during the tenure of the present government.

A Dhaka daily (The Bangladesh Today) reported on June 22 that "among the eight television channels Ntv, Rtv, Boishakhi, Channel 1, and Banglavision are airing regular programs while the rest are running test programs."

Mossadeque Ali Falu, a lawmaker of Dhaka-10, is the chairman of both Ntv and Rtv while Begum Afroza Abbas, wife of Housing and Public Works Minister Mirza Abbas, is the chairperson of Boishakhi. M H Selim, a BNP lawmaker, is chairman of Channel 1, and Mustafizur Rahman, former BTV DG, supported by powerful ministers, is the Chief Executive Officer of Banglavision. BNP Secretary General and LGRD Minister Abdul Mannan Bhuiyan and Dhaka City Mayor Sadeq

BARE FACTS

Hossain are also reportedly among the owners (albeit anonymously) of private TV channels.

It requires huge expenditure to open a new TV channel. The people, as well as the opposition leaders, want to know about the sources of funds of the owners of these private TV channels, and the demand is becoming louder. However, I leave aside that issue here to be discussed in a subsequent column.

The prime minister has recently become very critical of the media, both print and electronic. While talking to the newly elected office bearers of the Bangladesh Federal Union of Journalists (BFUJ) on June 18 at her office, the prime minister called upon journalists to perform their duties to protect the country's interest, refraining from any action which might harm the national economy. This came as a shock to the journalists who believe in the

freedom of the media and the people's right to know.

It needs no repetition that a free and independent media is essential for strengthening our nascent democracy. The believers in media freedom have aptly said that the free exercise of most of the rights held dear by citizens of democratic societies depends heavily on the existence of a free and independent media, capable and ready to air grievances and expose abuses, particularly governmental abuse of power and graft and corruption by officials. In addition, the media provides citizens with a broad range of views on all issues which helps them make up their own minds.

Subject to any reasonable restrictions imposed by law, the constitution of Bangladesh has guaranteed the freedom of thought and conscience, the right of every citizen to freedom of speech and

expression, and the freedom of the media.

The prime minister's scolding some private TV channel owners belonging to the ruling camp and asking them to highlight the ruling alliance activities to promote the interest of the alliance in view of the coming general election has brought to the forefront certain important issues:

-- The prime minister's censuring the private TV channel owners without any attempt at secrecy reaffirms the fact that in Bangladesh the freedom of the media continues to be restrained by the invisible hand of censorship.

-- The government-owned BTV is well-known for its sycophancy and lack of news sense. The private TV channels have brought some relief to the people in respect of news programs. It is a good omen that the pioneers of broadcast journalism in Bangladesh have set a standard that encourages criticism of the establishment in favour of public interest and this seems to be a standard that has been maintained, regardless of the political allegiances of the channel owners.

-- Another Dhaka daily (New Age) wrote on June 23 that in the past decade, broadcast journalism in Bangladesh has developed in leaps and bounds due to its pow-

erful ability to show images to a general public that is largely unable to read and write and rarely able to purchase newspapers. So it is not surprising that these private TV channels, set up as commercial ventures, will find themselves at a disadvantage if they do not remain at the cutting edge of journalistic practice and standard, largely due to the vast number of choices when it comes to television viewing.

-- Will the owners of these private TV channels be able to withstand the pressure of the establishment? The answer is definitely in the negative. This means that the process of growth of an independent electronic media will be stalled.

In view of what has been stated above, free and independent media in the country can play an active role in inculcating democratic values among the general people, provide them with a broad range of views that may help them make up their minds, and in the end, favour the oppressed and the weak, regardless of who is in power. The earlier the political parties, whether in power or in opposition, realise this, the better it will be for the nation.

M. Abdul Latif Mondal is a former Secretary to the Government.

Just a bit of security



M.J. AKBAR

EVERY government has a mid-life crisis as well as a sell-by date. The trick is to ensure that the latter does not precede the former. The health of all governments is measured by only one thermometer: the mercury of popular support. Even a monarch, if he has not degenerated into a despot, understands this principle and lives by it. Those who do not, pay a price, if not in their own lifetimes then in that of their heirs.

Dynasties wither when personal greed overrides the needs of the state. Sometimes, to check the present, it is useful to look through the wrong end of a telescope. The Mughal Empire did not bolster its popularity through media frenzy, although its court historians were often condemned to disguise the truth beneath layers of ornate sycophancy. (Contemporary media can sometimes put those historians to shame, but that is a separate story.) Popular support comes in as many varieties as people, and a sensible government

The poor are not so foolish as to believe that any government can turn their lives around with a magic wand. But they are not blind either. They want to see what is being done to improve their lives. The Left wins in Bengal because it keeps its attention fixed on this reality. Delhi has lost this very basic plot.

shows as much care for opinion builders as it does for those less influential. And principles are not necessarily moral: they can serve equally well when amoral, although they can never afford to be immoral.

Akbar, the builder of the Mughal Empire, based his vision on two principles, one tactical, one strategic. The first was used in the management of elites, the second was the foundation on which his rule rested. You do not have to believe the author of Tarikh-i-Akbari when he claims that the emperor is "the ruler of the entire world," or that he is the epitome of humility and generosity, or that "the dust of the imperial throne has become the sacred place of worship of the great and the mighty" -- including, incidentally, the king of China.

But he does get more credible when he explains how Akbar in a few years created an empire that stretched from Bengal and Orissa to Sindh and Afghanistan. War was not the answer, although Akbar maintained a brilliant war machine; the cost of his stables, with 5,000 elephants and many times that number of horse, was

estimated at Rs 50 lakh a day (in mid-16th century prices). War was only a means to an end, not an end in itself.

The chronicler quotes the emperor to explain the method of expansion. The logic was excellent, proving that Akbar was "gifted with reason and faculty of showing the way." There were 320 Rajas of Hindustan, rationalised the emperor, most protected by a strong fort. On an average, a siege took a year or more. If, therefore, he wanted to subjugate every Raja of Hindustan by war, it would take him perhaps a little short of three centuries. On the other hand, what did each Raja want? He wanted peace with the imperial court. The Mughal court offered precisely that, and did so for generations: it is forgotten that there were more Hindu generals in Aurangzeb's army than in Dara Shikoh's.

The elite must be pacified; that is an important requirement of state. But far more important is that the people should be kept happy. The answer to this need was justice. This was derived from a fundamental principle of Islam, where justice, equality and charity com-

mand a premium over every other virtue.

The best justification for justice as the guiding light of administration was provided by the great vizier of the Seljuks, Nizam ul Mulk Tusi, an intellectual and bureaucrat who held the Seljuq lands together when the western revival in the form of the Crusades had taken Jerusalem and devastated the political structure of the Middle East. Nizam ul Mulk's Rules of Governance, a primer he wrote for a young prince to whom he was a tutor, is the outstanding testament of Islamic statecraft. With cool logic he separates justice from morality, and explains its necessity thus: A kingdom, to survive, needs an army. An army, to survive, needs money. Money comes from taxes, and taxes come only when people are prosperous and happy. People are happy only when there is justice. QED. In both the great Turkish courts of their time, that of the Mughals and the Ottomans (the Mughals had far more Turkish blood in them than Mongol), the scales of justice were the principal metaphor of the emperor's power.

What do justice, and its conse-

quence, prosperity, mean today in India? The short answer is security: from external threat, from internal threat, from the elements, and from hunger. Of these needs, the state can claim victory only on the first count. India's armed forces have successfully eliminated the threat of invasion from either the north or the west (the only invasion from the east is one of people, and economic migration works because there is implicit support from the host country).

We have a law; I am not so sanguine that we have order. A quarter if not more of rural India is ruled by the law of the Naxalites, who impose their own order, ensure their own form of justice, and collect handsome revenues. Security is being increasingly privatised in urban India, with the police forced to pay more attention to the security of the ruling class than of the people. Then there is the matter of shelter. Check with the street children in the cities. Check with the poor in the villages.

One example is sufficient, and it is not the worst instance of poverty in our country by any means. Bidi workers -- so many of them young women, because of their still-nimble fingers which will age faster than the rest of their bodies -- get paid thirty rupees for every thousand bidders they put together in bundles. Since the dollar is the preferred currency of the Indian elite, that comes to some sixty cents for a thousand bidders. Work out the decimal point for every

bidi. When we take visiting heads of government and media to see the shining computer cities of Hyderabad and Bangalore, we should also give them side-trips to the bidi manufacturing wastelands of Madhya Pradesh and Uttar Pradesh and Bihar.

The poor are not so foolish as to believe that any government can turn their lives around with a magic wand. But they are not blind either. They want to see what is being done to improve their lives. The Left wins in Bengal because it keeps its attention fixed on this reality. Delhi has lost this very basic plot.

Food security means wheat, water, and vegetables. No one treats water as a priority, because there is enough for the showers in the bathrooms of Lutyens' Delhi. As for vegetables, we must leave that issue to my cook. Normally he tends not to open a conversation with me, conserving his brain power for the true ruler of our home. But his voice was tinged with amazement, even awe, when he broke his silence the other day. The price of tomatoes in Delhi, he said, had risen to thirty two rupees per kilogram. After the news, he added an editorial. The only thing to do with tomatoes at that price was to use them to pelt our honourable leaders.

Thirty two rupees a kilo. That is two rupees more than a bidi worker gets for every thousand bidders she makes.

M.J. Akbar is Chief Editor of the Asian Age.

The inflation fallacy

Bangladesh started producing shrimp in a big way since the eighties. But those who expected the price of shrimp to come down with an increase in supply were sorely disappointed. Indeed, the domestic price rose to match the international price. Despite the surplus production we cannot buy shrimp in the domestic market unless we are willing to match the international price. The market of the shrimp producers in Bagerhat or Cox's Bazar is no longer the domestic market, but the entire global market.

MA TASLIM

DURING a recent TV interview, the Minister of Finance told his audience that if the country produced essential goods in greater quantities, their prices would come down, and this would help tame the inflationary tendencies in the economy. Most intellectuals and civil society people seem to be of the same opinion. The opposition leaders have also espoused such a view for some time. The consensus of view on such a complex subject among people who otherwise disagree on virtually all important issues is remarkable and should be encouraged, except for a small problem: the argument is not valid as a general proposition.

There are at least three common fallacies embedded in the view above. The first arises from a confusion between relative prices and the general price level or what is commonly known as inflation. The high prices of essential goods that worry the ordinary people relate to an increase in the relative prices of those goods. This may or may not be associated with an increase in the general price level. If the relative prices do not change adversely for the consumers, they would have no reason to be aggrieved.

For example, if all prices were to double, we would have an exceedingly high inflation rate of 100 per cent. This would no doubt drive the IMF supervision team bananas, but it would hardly cause a stir among the people of the country.

Since all prices, including prices of the services of factors or production (i.e. capital, labour, and land) doubled, all relative prices would remain unchanged, and hence nobody's purchasing power would be affected. There would be no reason to fret about the high prices. There is no necessary unidirectional correlation between relative prices and inflation. The source of the general confusion would appear to be the fact that increases in the relative prices of essential commodities have sometimes been associated with increasing inflation in the recent past.

The second fallacy is the presumed causal connection between an increase in domestic supply and reduction in market prices. Apparently this conclusion is firmly rooted in the most

fundamental principle of economics: that market price is determined by the interaction of supply and demand, and that any increase in supply, other things remaining the same, will reduce the price.

Here the confusion arises in the interpretation of the relevant boundaries of the market, perhaps due to an inadequate appreciation of the implications of globalisation. Inexorable forces of international commerce have pushed virtually all countries of the world toward trade liberalisation such that individual countries are now firmly integrated into a single global economy. An implication of this process of greater integration is that prices of tradable goods in various countries are linked.

International trade establishes a single price for a tradable good; prices in individual countries can differ from this price only to the extent of transaction/shipment costs and taxes or subsidies. Since the latter do not vary on a day-to-day basis, domestic prices are essentially linked to international prices. This means that the domestic price of a good in any

country can decrease only if the international price decreases or because taxes (or subsidies) are changed. The international price of a good is determined by the interaction of supply and demand in the global market, a change in domestic supply will change the international price only to the extent it can affect the global supply.

In other words, an increase in production in the country may lead to self-sufficiency or surplus, but it will not necessarily reduce the market price. Just as surplus production of rice in Chandpur or Kishoreganj does not cause a lowering of the market price in these districts relative to some other districts that are in deficit, so a surplus production of rice in Bangladesh will not reduce the domestic price of rice below the international price (unless the surplus rice is of such poor quality as to be non-tradable or the government prohibits exportation).

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domestic price rose to match the international price. Despite the surplus production we cannot buy shrimp in the domestic market unless we are willing to match the international price. The market of the shrimp producers in Bagerhat or Cox's Bazar is no longer the domestic market, but the entire global market.

On the other hand, we produce no apples or steel. But we pay about the same prices as the Indians or Australians who are major producers. If we feel aggrieved when we pay Tk. 60-70 per kg of pulse, much of which we import from India, imagine how the Delhites feel when they have to purchase the same for Rs. 50! It seems safe to say that the prices of (tradable) essential goods are unlikely to deviate from the world prices unless the government decides to use fiscal measures to buck the trend.

The third fallacy arises from a confusion about the cause of an increase in a relative price and that of an increase in the general price level (inflation). An increase in the relative price of a good is always the outcome of an excess demand that can occur either because the

demand for the good has increased or because the supply has decreased. Hence, a reduction in the relative price of a good requires an increase in supply.

In contrast, an increase in the general price level is independent of the real supply and demand situation in individual markets; it depends on aggregate demand, which is crucially dependent on money supply. In the words of the guru of monetary economics (Milton Friedman): inflation is always and everywhere a monetary phenomenon. That inflation does not have much to do with absolute shortages should be evident from the fact that inflation creeps up mostly when supplies are plentiful (business boom) and declines when the economy is in a slump. In most Saarc countries, including Bangladesh, inflation has picked up significantly during 2005-06, a period of relative prosperity in all these countries. Inflation can be controlled mainly by controlling the money supply. The monetary contraction put in place by Bangladesh Bank recently appears to have succeeded in slowing down the pace of inflation.

An increase in output is desirable not because the prices will be reduced, indeed that might be a disincentive to produce more, but because income will increase. The increase in income represents an increase in the purchasing power of the producers, hence they can afford to buy more goods and services than previously, even at higher prices. Their economic welfare improves. The improvement of welfare does not require self-sufficiency in the production of essential goods, it depends on the deployment of the available resources in a manner that maximises the total value of production.

If domestic production of any good is less than the demand, surplus tradable goods can be exchanged at international prices in exchange for these goods. The pattern of production of the country in a globalised world should not be determined by the structure of domestic demand, but by international comparative advantage. An important implication is that self-sufficiency should not be by itself a goal of economic policy in today's world.

The writer is a Professor, Department of Economics, University of Dhaka.