

No guidance in PM's speech

Opposition leader also disappoints us

WHAT was there for the nation in the speech of the prime minister given in parliament on Wednesday night, especially when the country remains bogged down on a crossroads of confusion? She has gone many miles to criticise the opposition, and talk about the good deeds of her government, but, unfortunately, there was nothing substantive or conclusive in her speech to help settle some of the nagging problems like the voter list, electoral reform, law and order, price hike and the looming threat of a runaway inflation.

She mentioned that the door to talk on the issues raised by the opposition was open but there should not be any precondition attached. She has been saying this for quite a while now but we expected a fresh overture to break the deadlock in her speech to draw the opposition into a dialogue. No progress has been made in that front.

Even on the question of the welfare of the president of the country the prime minister remained ambiguous in her reply. As the chief executive she is the one who has the responsibility of informing the nation about the position of the president and thereby remove all the mystery surrounding him. She only made light-hearted remarks that did not remove the questions in the public mind. A categorical statement that the question of changing the president does not arise, was called for at the moment. Regrettably, it was not forthcoming.

The opposition leader for her part touched on peripheral issues that were not material also to burning questions of the day. Her speech was bereft of any forward looking vision that the nation expected from her. Of course, her role is to criticise the government but she too is expected to enlighten the people with her perception of how she wants to lead the country. So, both of them have failed to show us the light through the critical phase of our national life.

For a ban on hartal

Why wait till caretaker govt?

THERE was one redeeming feature to Wednesday's otherwise tempestuous parliamentary proceedings. While the Prime Minister and the leader of the opposition went ballistic against each other, their deputies Abdul Mannan Bhuiyan and Advocate Abdul Hamid sounded being on the same wavelength about hartal.

In their speeches they implored each other for the initiation of a process whereby hartal will be banned through a law to be enacted, somewhat inexplicably, not now but when the caretaker government will have taken up the reins of government in October. Perhaps, BNP leader Abdul Mannan Bhuiyan is resigned to the fate that the opposition might not be all too agreeable to forgoing the hartal option when they have launched into some kind of an agitation against the government. Representing the opposition camp Abdul Hamid could have been hardly expected to abandon hartal in the thick of a political movement. So, both of them ended up with the idea of using the caretaker government window of opportunity to banish hartal which promises to be equally advantageous to BNP and AL.

The positive thing about this is that it marks a change in their attitudes. The opposition used to be hell-bent on preserving the hartal option and the ruling party keen on seeing the back of hartal. But now they have agreed to ban hartal even though with a qualification that the prohibition be legislated(?) during the caretaker government's tenure.

While welcoming this we have to say that we don't agree with their timing for the contemplated change. Why not go for it right now by making a definitive, robust and unambiguous pronouncement to bring about the ban? A good and auspicious thing is elementally opposed to delay.

There are three convincing reasons why the initiation of the process of banning hartal mustn't be deferred until after the caretaker government is saddled in power: first, such a short-lived government mandated to hold elections must not be unnecessarily burdened with the task of decreeing a ban on hartal; secondly and more importantly, the law to be sustainable has to be passed through a parliament and not through any temporary mechanism being envisaged and thirdly, the economy being in a crisis situation cannot countenance hartals, howsoever sparingly, during the coming four months.

What does the budget really promise for us?

Three governments -- the coalition, the caretaker, and the next -- will have to implement this budget, which seems a rather tough task. This year's budget is the 36th budget since we achieved independence but no mentionable change is discernible as the guideline of alleviating poverty, which has plagued the life of the majority.

MD MASUM BILLAH

Irun a family where I am a micro-economist and make an imbalanced budget almost every month. Through the microscopic view I can visualise the budget of Bangladesh, one of the developing countries of the world which struggles with chill penury for feeding her hundred and forty million population. The alliance government placed their last budget at the end of their tenure. The budget session was participated in by the main opposition which I consider to be a bright sign for the country (even though it criticised the budget without considering its merits and demerits). If we critically analyse the budget, the following points surface.

The finance minister has made changes in a great number of fields from banking to trade to state

owned enterprises since he took over. He brought about changes in the banking sector beginning with the appointment of private management in Janata Bank and Agrani Bank and setting in motion the privatisation of Rupali Bank. The economy was in a critical condition -- a near empty till depleted of foreign exchange reserves, sluggish revenue generation, high borrowing leading to gaping budget deficit and stagnated investment to maintain a budget balance. He put a brake on current account expenditure and revamped taxation. He brought the budget deficit to a comfortable 4% of the GDP this year and raised foreign exchange reserves to around \$3 billion.

The finance minister has been able to make more people pay tax, and income tax payment recorded an impressive 16.7% growth this fiscal. But he could not really

increase the tax-GDP ratio that remained stagnant at around 10.5%. He boldly went for trade liberalization, gradually bringing down tariff barriers. But he could not really reap the benefits of his reforms because of his myopic vision and for failure of the other cabinet members. It's a serious challenge for the finance minister to implement the proposals of the budget as his cabinet colleagues also stand in its way.

Another important factor must be included in our national budget. We know government is nurturing many losing concerns and organisations. Every year the government has to experience a huge national loss due to mismanagement in these organisations. The ordinary citizens pay high amount of taxes every year and government nurtures the employees of these organisations. As citizens of the

country we have the right to learn from the finance minister, particularly during the budget session, about the latest developments in these organisations, but no such effort has yet been taken keeping the ordinary citizens in dark. They are just the sharers of the losing concerns. Our economists must give a thought to this point. The poor people cannot afford to bear it further.

Electricity stands as the source of many development plans and proposals, which claims serious setback at present causing huge amount of national loss. A revolutionary step and further enhanced budget in this field we expected. With 2000 MW of power shortage Tk 4,286 crore allocation for the energy and power sector -- a mere 14 per cent higher a figure from the revised budget of this year -- looks insufficient.

Tk 50 crore program fund for assistance to small farmers affected by natural disasters has been set up -- to help small farmers make up for losses due to natural disasters in absence of crop insurance. It is a laudable step. It might be helpful initiative for them. The raising of allowance for the senior

citizens also deserves appreciation. Its proper utilisation, however, remains questionable. The industrialists, particularly in the garment sector, have enjoyed tax holiday. In the present budget, all the garment industries have been brought under tax net which invited anger and mixed feeling of some owners. Again the sick industries will try to revamp their income. So this step is right. Otherwise, only the service holders who remain under tax net happen to be the sufferers of government tax policy. Again, when all the garment industry owners have to pay taxes, they will try to further increase their production, which can be considered a positive outcome.

The budget has given the highest allocation to the education sector as it had in every previous budget. There is no way to develop human resources without educating the citizens. Every government puts at least verbal emphasis on education. But what real change has come to our education? The quality of education and the condition of the people involved in education sector hardly seem hopeful.

Eminent economist Wahiduddin Mahmud said: "The

budget proposal does not provide any clear guideline regarding how to address the risks to economic growth and tabulation. The rather belated decision to withdraw the opportunity of whitening black money is most welcome. But what is the rationale for still keeping this tax concession in the case of purchasing cars, houses and land in posh urban areas? These are precisely the uses of black money that are relatively easy to detect, hence the rationale of continuing with the tax concessions is doubtful."

Debapriya Bhattacharya, another eminent economist of the country and Executive Director of Centre for Policy Dialogue, said: "Poor country's budget should be on the basis of income. But in Bangladesh expenditure is given importance. The budget is made in the hope of getting foreign aid. If it is not received, then the government borrows money from the bank which creates inflation." I fully agree with this comment. We should first decide how much we are earning now. On the basis of our earning, the expenditure should be balanced. Otherwise the burden of loan will continue to increase

exercising a serious setback to our national economy. The former Finance Minister and Chairman of the AL economic affairs cell, AMA Muhi, said at a press conference: "The coalition government has made the budget keeping 12 per cent cluster allocation aiming at looting. 12 per cent cluster allocation will not reach even 20 per cent people. It is very sad that the benefits of the government decisions hardly reach the poor. Year after year the same way is followed to alleviate poverty but the change seems very negligible. It shows that the existing way needs to be changed. No budget gives that right direction. As a result the situation continues to remain as it was. To speak the truth, in spite of showing some appreciable steps this year's budget cannot be fully appreciated. No revolutionary step has been taken in this budget."

Saifur Rahman has tried to improve the rural economy by supporting agro-based industries and continuing the incentives to agriculture. This year's Tk12,000 crore subsidy to agriculture will continue and the proposed withdrawal of infrastructure development surcharge will further boost

the rural revamping effort. The agriculture minister's overall budget also increased by a huge 42 percent. Rebates on agro-processing, jute and textile industries are extended for two more years. The rural non-crop sector that helps poverty alleviation by creating waged employment also stands to gain as duties and tax have been withdrawn on capital machinery accessories and inputs. Tk 20 crore skill development fund for readymade garment workers can also be a beginner for better productivity. Agro-based industries assistance programme will be increased from Tk 100 to 150 crore. All these proposals sound good but who will ensure their proper and timely implementation?

Three governments -- the coalition, the caretaker, and the next -- will have to implement this budget, which seems a rather tough task. This year's budget is the 36th budget since we achieved independence but no mentionable change is discernible as the guideline of alleviating poverty, which has plagued the life of the majority.

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The only acceptable outcome



ZAFAR SOBHAN

STRAIGHT TALK

The only acceptable outcome is free and fair elections held under a neutral and competent election commission. Let us not lose sight of this basic goal. What we need in Bangladesh is to make our democracy work, and there are plenty of steps that we can take to make this happen short of abandoning it in its entirety.

and gives rise to a number of questions.

For instance, what happens if there are no elections for one reason or another or if elections are held but due to lack of credibility are not acceptable to the people.

It seems that in such instances there is a good argument to be made that the caretaker government would remain in office. I have found nothing in the constitution that limits the time period for which the caretaker government can remain in office.

The crucial point is that it is apparently quite possible to move from the path of parliamentary democracy to a less democratic dispensation in a manner that is fully in accord with the constitution.

Under previous iterations of the constitution, it would have required martial law and suspension of the constitution for this to happen, but under the current constitution, such a shift would seem to be perfectly constitutional.

One implication of this is that an extended period of caretaker government would have constitutional legitimacy within the country and be able to rightfully call on the police force and the civil service

and even the armed forces to enforce its authority.

Being able to constitutionally demand the backing of the armed forces is key. Not having a popular mandate, a caretaker government would require at least the tacit support of the armed forces to maintain order.

Only if it is known that the army is supportive, or at least neutral, and in extremis willing to come out on the streets to protect law and order, can a caretaker government ensure that its authority will be respected.

This brings us to the second implication -- international legitimacy. If the army were to come in, then this would generate all kinds of outcry outside the country. Such a take-over would likely trigger all kinds of economic and trade sanctions as well as the cessation of developmental aid.

But a scenario with an extended caretaker government, tacitly supported or at least not opposed by the armed forces, might perhaps be less objectionable to the international community.

Barrister Rashid has put his finger on the key element. The indefinite tenure constitutionally

permitted for the caretaker government opens up all sorts of new possibilities.

The simple reason is that right now things do not look promising in terms of acceptable elections being held. Every effort must be made to hold free and fair elections, as a representative government is an indispensable fundamental right of the people. However, most people in the country have now come to the conclusion that there can be no credible election under the current chief election commissioner.

But there are no signs that he plans to vacate the position, and even if he did, there is still plenty of reform needed to ensure that the elections are acceptable. Even if election reform is accomplished, there remains the issue of caretaker government reform and who the chief adviser will be. I see no evidence that this debate will be concluded anytime soon.

Put this all together and you can see that we are in quite a fix. Some might even call it in incipient constitutional crisis. If there is no agreement on election reform or caretaker government reform, what happens then? No one could

say.

But now we have an intriguing possibility thrown into the mix. The parliament will stand dissolved automatically on October 28. The president can then appoint the chief adviser and the caretaker government, and this caretaker government is then constitutionally empowered to run the affairs of state for an indefinite period of time if elections cannot be held or if the elections are not acceptable.

This is why there is all the noise being made about the presidency. The president not only controls the armed forces, he also essentially gets to name the entire caretaker government.

In addition, it should be noted, as GM Quader pointed out in his Daily Star op-ed of June 26, according to Article 58C.6 of the constitution, if the retired justices decline the post, the president retains the power to appoint himself as chief adviser and take up the role of the head of the caretaker government.

Nor is this a question of a mere 90 days. It could be for quite a long time. Perhaps this is why a section of the print media has been filled with conspiracy theories that the caretaker government might operate as a front for the existing government to extend its rule by non-democratic means. This would go a long way to explaining the current government's apparent desire to ensure the absolute loyalty of the president.

Let me be perfectly clear here: an extended caretaker government would be a disaster for the country. Just because something is arguably constitutional doesn't mean it is

the right or even the prudent thing to do. Far from it. The last thing we need to do right now is to turn the clock back and revert to non-democratic means of running the country.

Bearing this in mind, the responsibility lies with the BNP and the AL to reach a compromise so that credible elections can be held and that neither Article 58C.6 nor Article 58B.1 of the constitution need to be invoked.

The only acceptable outcome is free and fair elections held under a neutral and competent election commission. Let us not lose sight of this basic goal. What we need in Bangladesh is to make our democracy work, and there are plenty of steps that we can take to make this happen short of abandoning it in its entirety.

The danger of the non-democratic route is that we do not know who we will be getting and we have no way of removing an unelected government if it disappoints or indeed if it is nothing more than a front for an unelectable political party.

We do not want to go down the non-democratic route. If the BNP and the AL are not able to reach a compromise to hold acceptable elections, then they will have failed their democratic ideals, they will have failed themselves, they will have failed the very political system that they were the principal beneficiaries of, and above all, they will have failed the nation in its hour of need. This cannot be allowed to happen.

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Saudi Arabia: Unity in royalty

The Saudis do the same with hostile media, of which there were quite a few within Saudi Arabia and abroad. The Saudi press has gone through phases of daring and cowardice, depending upon the mood of the government. Within the country the press can be repressed. Outside the country the princes or loyalists would buy off any paper that bares its teeth. The Saudis bought the Ashraq al Awsat and the Al Hayat, both London-based Arabic daily newspapers, as well as four of the five Arabic television channels within the region to ensure that nobody writes against them.

SAAD S KHAN

THE royal family stands united as a single body, as a single hand," the Saudi Crown Prince Sultan bin Abdul Aziz, went out of the way and out of the context, in declaring this at the annual award giving ceremony of the King Faisal Awards in Science and Literature in Riyadh the other day.

He then waxed eloquent in praise of King Abdullah who, he said, was very concerned about the well-being of his subjects. Such statements by the usually reticent Arab royal families hint at something serious in the offing, and this time the royal house had to come out with a solid statement of solidarity, because the rumour-mongering mills in Riyadh have been churning out more rumours in recent months than the Saudi oil rigs drill out crude oil.

Prince Sultan definitely has a point, since in Saudi Arabia the last transfer of succession between two different branches of the Al-Saud family had been smooth, unlike a very similar transfer in Kuwait where palace intrigue between the rival branches dethroned the

Crown Prince Saad al Salem al Sabah after just nine days of rule.

In the not too distant past, the Emir of Sharjah, one of the seven Emirates of the UAE, was replaced by his brother in a palace coup, but gave up his claim only after the intervention of neighbouring rulers of Abu Dhabi and Dubai, in return for being recognised as the Crown Prince.

The statement by the Saudi Crown Prince Sultan, however, conceals more than it reveals. In fact, the Sultan himself is said to have narrowly survived assassination attempt in the days following the death of late King Fahd, which, if safe house discussions in Riyadh and Jeddah are to be lent any credence, had been kept secret for 21 days, while the royal family debated the succession issues.

The Arab monarchs are so afraid of succession because the death of a ruler shatters the status quo and all the competing interests within the ruling elite start nudging each other in order to retain the entrenched interests in the new dispensation. Hence, the kings (like Morocco and Jordan) and the presidents (Syria and Azerbaijan) of the Middle East usually prefer

their own sons to succeed them, so that the succession issue gets buried for another few decades. Not so in Saudi Arabia, Kuwait, and UAE, where succession may involve brothers, who may be only a little younger than the reigning monarchs.

Thus, the new Saudi king is an octogenarian and so are some of the senior princes in the succession line. The succession issue in the oil-rich kingdom may now come up quite frequently in the years to come. Each succession opens up issues of distribution of wealth and

power, and it is not rocket science to guess that the claimants are outgrowing the available spoils, both in wealth and power.

The founder of the present Saudi dynasty, Abdul Aziz Ibn Saud, sired 36 sons and even more daughters. His eldest son, King Saud bin Abdul Aziz fathered 107 children; there are wild speculations about the number of wives and sons of his next three brothers, King Faisal, King Khalid and King Fahd. The present King Abdullah is believed to have 14 sons and 20 daughters.

The number of members of the

royal family has grown from 7,000 in the late seventies to an estimated 30,000 now. Although the upper cap of 18% for the royal family from the nation's oil revenues, decreed by King Faisal over four decades ago, still holds, giving a guaranteed minimum income of \$10,000 a month to even the remote princes does have economic costs for the Saudi nation.

Given the finiteness of wealth, the princes jostle for power but, unfortunately, there is a finite limit also to the prestigious positions that one can dole out. After all, the Minister of Defence is Prince Sultan for the last 44 years, the Interior Minister is Prince Nayef for 32 years and Prince Salman has been Governor of Riyadh for well over 45 years. Obviously these government positions are personal fiefdoms where the senior positions are reserved for the sons and loyalists of the incumbent. New entry is a no-no. Just 500 of the princes have government positions, and a mere 60 of them have those of any worthwhile importance.

There is no denying that such layers of influence have been proved gratifyingly coup-proof, yet it is also because of the astronomical rise in oil prices and the consequent windfall gains, that the Saudi dynasty has been saved from a coup from within, i.e. by the disgruntled majority among the princes. Each prince who calls for reform is bought off.

Each country that calls for democratic reforms is also bought. For instance, the response to calls by the US administration for more

openness was a whopping defence purchase order of \$40 billion from that country. The warplanes, never needed in the first place, would rust in the sheds of an air base outside the town of Dammam, but the dynasty can rest assured that nobody from the US Senate would point a finger at their democratic credentials.

The Saudis do the same with hostile media, of which there were quite a few within Saudi Arabia and abroad. The Saudi press has gone through phases of daring and cowardice, depending upon the mood of the government. Within the country the press can be repressed. Outside the country the princes or loyalists would buy off any paper that bares its teeth. The Saudis bought the Ashraq al Awsat and the Al Hayat, both London-based Arabic daily newspapers, as well as four of the five Arabic television channels within the region to ensure that nobody writes against them.

Yet the times are changing, the totally nominated Saudi "consultative" parliament, or Shura, as it is known, has refused to bow to the wishes of the rulers. The elected segment in the Saudi political system made its debut when, after dilly-dallying for one year after the first ever direct elections for the local councils in some Saudi cities, the government published the results and the councils came into existence. Public exposure of scandals by the print and electronic media cannot be hushed up. The role of the once mighty ulama is giving way to greater regard to the opinions of the general public as

well as the members of parliament, albeit appointed ones. The textbooks that, until recently, had suggested that a good way to show love for God was to treat the infidels (non-Muslims) with contempt, have been revised and moderated.

The reign of the new King Abdullah has had a propitious start when he made the little observed national day as an annual public holiday (a move decried by radical clerics as a move towards secularism), and abolished the century old custom of kissing the hands of the monarch as a mark of respect.

King Abdullah, much like King Faisal, who ruled three decades ago, is a thorough reformist. He too has his limitations, as his humiliating retreat from several of his reform initiatives, even after 1995 when he became the de facto ruler of Saudi Arabia, when Fahd was incapacitated, has amply shown.

It may take time for women to start driving in Riyadh. There has to be an elected office of Prime Minister responsible to the elected Shura, which is on the cards anyway, and the economically and academically inefficient system of segregation between the sexes in the university classrooms has to be done away with; but all of them are questions of when, not if.

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