

Tour for pleasure or for knowledge?

Prevent wasteful expenditure

TAKA fifty lakh may not be a very big amount in the context of the national exchequer, but if it has the prospect of going down the drain in the way that amount is intended to be spent, then it is fifty lakh too many. It should raise the concern of all those that are responsible to ensure that public money is spent properly and for the purpose it is allotted.

We are concerned at the news that a 22-member delegation is due to visit three countries, ostensibly for the purpose of, what has been described as, eliciting knowledge on 'publishing technology and textbook development.' The delegation is made up of 15 MPs, who will no longer hold office after three months, and ten of the government officials in the team are due to retire this year, the rest, being on deputation may be posted out any time. Interestingly, the delegation has but one member of the National Curriculum and Textbook Board (NCTB). That being the composition, it cannot but raise one's eyebrows at the purpose of this exercise that will cost the public 50 lakh taka, and one couldn't be faulted for thinking that it is the pleasure and not 'education' that is the major motivation of the tour.

For one thing, the fund, budgeted last year, as we understand, has already lapsed, and if the government is really serious about enhancing the standard of our textbooks one wonders what is the role of the lawmakers in this regard, leaving aside the fact that they would cease to be so in three months; and what contribution would be made by those officials in the delegation, who are due to retire shortly? Commonsense suggests that it would have been more appropriate and relevant for NCTB, officials who are primarily responsible for textbook publication, and from whose kitty the money is being spent, to have made up the bulk of the delegation. For another, we are not certain whether we do not have enough expertise in country to ensure that good quality textbooks are provided to the students, both in their substance and their production. And in so far as the substance of textbooks is concerned, foreign visits may provide very little help to enhance their quality, which depends primarily on the quality of the writer.

Would the government reconsider its decision and save 50 lakh taka going waste?

Open sky policy impinged Government order untenable

THE abrasive manner in which certain popular foreign satellite television channels were ordered off the air by the information ministry has caused immense consternation and surprise among the television viewers of Dhaka and Chittagong.

The cable operators were forbidden to downlink from 13 channels like ESPN, Star Sports, HBO, Disney, Ten Sports, Zee Classic, Zee Premier etc. not for telecasting any objectionable material or wrongful presentation but on account of a technical reason that no permission had been taken to operate the channels. The shutdown services happen to include the most entertaining and educative of channels. They are most certainly not in the category of socially harmful, overly violence-prone and vulgar types. The government had earlier forbidden transmission of some foreign channels owing to their dissonance with our cultural values. But generally we have successfully signalled to the outside world of our belief in the open sky policy.

The government order is questionable not only in point of the channels being acceptable to our culture and entertainment interests but also because of having allowed the channels to be operated so far with no questions asked. As for the revenue implications of the pay channels it is a matter to be thrashed out not by an abrupt denial of the services to the TV viewers they have grown accustomed to, but through a dialogue with the stakeholders. In shutting down the channels the information ministry did neither consult the cable operators nor tried to ascertain public opinion in the matter. The apparent differences between a section of cable operators and the distributors imply the need for setting their house in order in the first place. Then the government has to be evenhanded in its policy without being seen to be influenced by any quarter with a vested interest, far less being influenced by them.

Summer of our discontent



M ABDUL HAFIZ

BANGLADESH is no stranger to turbulence and we are used to living with it. But the uncertainty and frustration now stalking the country are virtually without precedent. These stem from a variety of causes, the most prominent being a backbreaking price hike. Nobody knows how to make both ends meet with skyrocketing prices of the essentials amidst speculation that the last straw is yet to be put on the camel's back.

One minister justifies the price level claiming that it is still the lowest. Another says that none has yet died of starvation. The redoubtable commerce minister

has conveniently put his hands up with regard to price control. The month of Ramadan is also around the corner. All these ominously suggest that there is more public misery in store. Leaving the public in despair the authority seems to have courted defeat before the market manipulators -- in the name of free market economy which cannot however be an excuse for unfettered market exploitation.

Then there prevails a nerve-wrecking political uncertainty that totally wears one out and puts all of our calculations haywire as to the future shape of things to emerge. Will there be an election due early next year?

PERSPECTIVES

In the meantime, the mood is buoyant also in the opposition camp which is preparing to field their candidates while giving lip service to reforms. But when they find themselves caught unawares in a web of temptation and then intrigues in each layer of the election mechanism, they will try to complain of election rigging in the usual way. Can the bankrupt politics of the opposition match the intricacies of BNP-Jamaat election management strategy? At least in the post-1975 milieu, it never has.

Notwithstanding the establishment's repeated assurance that the election is on the cards, there are few signs at least of a credible election. Even if it is held, nobody knows yet what kind of election will that be: with electoral reform or without it? Will it be an election with the participation of all the country's political outfits or a comic reputation 1996 election followed by prolonged political turmoil?

The constitutional requirement is to complete the election for ninth parliament by January 15, 2007. Yet there is no sign of pre-election preparations like publication of electoral roll, delineation of constituencies, fixing up polling

centres and arrangements for ballot boxes. In earlier elections they used to be done or ready almost before a year. The updating of electoral roll undertaken by the present discredited election commission has already bogged down for the lack of fund and adequate qualified manpower. The commission's progress in this regard was found to be delusive when checked on the ground.

People's discontent emanating from their economic hardship and prevailing political flux can however hardly reach the corridor of powers where the ruling set-up is posited in a dream world of its own. Totally divorced from reality the power wielders spout their

wisdom from an exalted height with no public response.

As a result, the nation's future seems to be getting worse, con-founded with the bigwigs on the both side of the political divide chipping in with what one would call the product of warped mind about how things would go with the election next year. It is a complex web of confusions that only obfuscates the future and the prospects it may be holding for us.

Nevertheless, the people are united this time through a free and fair election to give a befitting rebuff to their tormentor in the garb of ruler. Their discontents however turn into gripping frustration when they find that the next election is going to be doctored by the power manipulators. Even after universal condemnation of the election commission from all quarters, the people cannot get rid of it which has already sullied the institution. There are booby traps laid all the way along and there are few chances of rescuing people's democratic right without a reform.

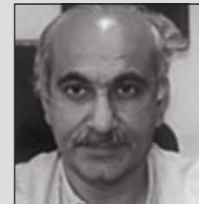
The summer is not usually a time for agitation. But look at the way the people take to the street,

braving hostile weather. Even nature has turned hostile with the thirsty earth not yet soaked with the sing-song rain drops of the monsoon. Over and above, the lathi-wielding and gas-spraying law enforcement agencies are there to discipline them in the name of protection. And the people chanting and fighting for a credible election are branded law breaking pro-anarchy mob. But the stakes are high indeed. The next election is virtually an operation "Rescue Bangladesh" from the clutches of BNP-Jamaat predators.

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Brig (ret'd) Hafiz is former DG of BISS.

Yo Singh



M.J. AKBAR

EVER since the G8 summit at St. Petersburg in Russia in late July, I have had a recurring nightmare. This summit will surely go down in history as the Open Microphone Extravaganza. We learnt how precisely President George Bush talks to his friends and fellow leaders when an open microphone conveyed his conversation to the world. He was on neither a protocol nor a grammar leash. He addressed Tony Blair, surely his best international ally and certainly his most obedient poodle, thus: "Yo Blair!"

Normally, friends tend to be on first-name terms in private and often in public. Bush, in a sign of unconscious superpower superiority, sticks to the surname. "Yo!" is New York street diction, always one syllable short of respectful. But there it was, loud and clear: "Yo Blair!" It was a summons. Tony Blair obediently cringed, washed his hands with dry air, and talked to "George."

A little later Blair asked "George" whether he could go to the Middle East. George chattily told "Yo Blair" not to bother; Condi (the well known nickname of secretary of state Condoleezza Rice), and that should be good enough for a mere prime minister of Britain. Blair was suitably obsequious. Bush was at his cheesy best with the microphone live. He told anyone who was

BYLINE

Dr Manmohan Singh used the correct phrase when he informed Parliament that India was sending Rs 10 crores for Lebanese rehabilitation. He called the region India's extended neighbourhood. When there is conflagration in the neighbourhood, the last thing to do is make your foreign policy congruent with the whims of an administration that cannot distinguish between a fire extinguisher and firecracker.

listening (unfortunately, the whole world) that Russia was a big country (Goshi) and at one point, in the friendliest way possible, with no malice whatsoever, used a four-letter word, making life easy for cartoonists for at least one day.

It is only fair to report that Bush did not massage anyone's neck at St. Petersburg. He did that when he stopped in Germany to meet Angela Merkel on his way to the summit. The staid German chancellor, caught by surprise, looked horrified in the subsequent pictures. We are not privy to her private comments, but Bush seemed very pleased with himself.

India was rising when I was awake, but had risen in my nightmare and had displaced Canada to become a full member of G-8. Washington ignored the Canadian threat to walk out of the North American Free Trade Area, and welcomed Dr Manmohan Singh's India. This G-8 summit was held at Agra. Dr Manmohan Singh was now Bush's best buddy rather than Blair, who had disappeared from the picture.

Dr Singh, as ever his meek and humble self, was sitting in a corner, a happy smile lighting up his visage. All the microphones were alive. Indian journalists sat in row after endless row in the hall, clutching immobile pads, pens and tape recorders. They had no questions, for they were even happier with Bush than their

prime minister. The only journalist to ask questions was a teenage reporter from a television channel, who asked three rapid-fire questions and turned to her cameraman to check whether they had enough sound bites for the single minute that had been allotted to non-criminal news on their top-rated television news show. The cameraman nodded in the affirmative. She turned back to Bush and asked if he could please identify himself, and explained with a full sense of responsibility, that she did not want to make any mistakes. Bush grinned, looked back into the half-visible corner, and shouted: "Yo Singh!" Dr Manmohan Singh shuffled up, washing his hands with dry air, and said in a soft smile: "George, do you think I could go to Iran?"

"Yo Singh!" replied Bush, slapping the Indian prime minister's back hard enough to make the latter wince. "India is a big country." Dr Singh smiled profusely at the compliment. "India has nine time zones," said Bush, as he got up to massage the Indian prime minister's shoulders, adding a neck-rub in honour of the special relationship.

"I am going back to America tonight, Singh! Gotta sleep in my own bedroom, ya know. Afraid I can't go to see that old tomb with a baseball cap that you wanted to take me to in the moonlight. Your old Mughal kings made love in tombs, did they? Strange people.

We don't have kings in America! What do you want to go to Iran for? Condi is going. Anything you want to know about Iran or Pakistan, just give her a call. She's good, Condi. Asks all the right questions." He then gave the sweetest of grins to Condi, and my nightmare ended in streaming sweat.

Thank God it was only a bad dream. Thank God it's all untrue. Dr Manmohan Singh would never behave like this; never. He is India's prime minister, not Britain's! If he wants to go to Iran, or Iraq, or Afghanistan, or Pakistan, he will tell Air India to keep two jumbo jets ready and off he will go.

He will never make India's foreign policy congruent to Washington's foreign policy, or, worse, the US Congress's domestic policy. He will never cap India's fissile material production just because the White House or the Democrats, willing advocates of the non-proliferation treaty lobby, want him to do so. He will never waste forty or fifty billion dollars in nuclear reactors for peaceful purposes just because Republicans want for their nuclear industry customers with more money than sense.

Dr Manmohan Singh sits in a chair once occupied by Jawaharlal Nehru and Indira Gandhi. He will never bargain away India's nuclear defence interests. That was a stupid night-mare. It is daylight now, and the

coffee he likes is an excellent brew from South India. There is no way India's foreign policy is going to be outsourced to legislators on a hill in Washington.

George Bush seems, by the evidence from St. Petersburg, to have slipped into some twilight zone where the real world has been replaced by a portrait painted by self-serving sycophants. What else can explain his comments on the war in Lebanon, heard through that deadly open microphone? (Just a thought, which you should dismiss: did the steely Vladimir Putin's steely intelligence operatives deliberately keep a microphone alive? After all, there is no condemnation quite like self-condemnation.)

Live microphones have trapped American presidents before. When Jimmy Carter was in Delhi a generation ago, and Morarji Desai was prime minister, he told us precisely what he thought of India's ambitions. Mrs Indira Gandhi certainly did not need any reminding. Then there was the classic instance of Ronald Reagan threatening to bomb the evil empire when he thought only his pals were listening. The muscle in Reagan's policies was persuasive enough to unravel the Soviet Union.

But Bush exposed himself as clueless of the complexities that determine war and non-war (there never has been any peace) in the volatile Middle East. At the very least Bush might want to read the Stratfor report (posted on July 25 and available very easily on the web) on the current war in Lebanon. It has not been written by Mullah Longbeard but by George Friedman. I do not know George Friedman, or his ethnicity, but I could give long odds that he has no beard at all. Bush policy in the Middle East has all the forethought of a knee-

jerk. It used to be "I know best." That has been replaced by "I know all."

There are people in Washington who see and think, and can detect reality in the cocoon or when it emerges from the shadows of an embryo. Condoleezza Rice is among them, according to those who know anything about her. But it is hard to conduct rational policy when it is constant headbutting irrational conviction.

An analysis of the Lebanon war will have to await, at the very least, more than the length of another column. But even a few sentences are sufficient to convey that this, Israel's longest modern war, will not reach a ceasefire that brings much satisfaction to Israel for the very good reason that Hezbollah will be stronger at the end of the fighting than it was at the beginning. The depletion in its ranks will be more than compensated by new recruits; its arms replenished, and its ability lauded.

At least one section of Washington now wants to engage Syria again in Lebanon. This is implicit recognition of what anyone could have predicted, that the vacuum left by the departure of the Syrian army from Lebanon was not going to be filled by the Lebanese army.

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FDI on the wane



ANM NURUL HAQUE

THE inflow of foreign direct investment (FDI) in Bangladesh is showing downward trend despite the claim by the government of attracting huge FDI. According to the statistics, furnished by the Bangladesh Bank, in the balance of payment (BOP) table for July-April period of the FY 2005-06, actual FDI inflow to the country was \$500 million. But it was \$625 million during the corresponding period of FY 2004-05 while the total FDI inflow in the entire FY 2004-05 stood at \$776 million against the target of \$800.

According to the LDC Report 2006 of UNCTAD, Bangladesh could not do well in five sectors including FDI inflow per capita. Bangladesh stood ninth among

BY THE NUMBERS

As one of the poorest countries in the world, with 40 percent of its population living below the poverty line, Bangladesh needs to increase FDI for raising the growth rate to the level of seven percent. But the inflow of FDI is lower in Bangladesh despite the country being the cheapest place among 21 places in Asia in terms of eight investment components. The investors look forward to political stability, but our political leaders have not realised this plain truth.

the 50 LDCs regarding FDI inflow, which is lower than the average rate. Angola, a poor African country received \$2,047 million FDI during the year 2004 while Bangladesh received only \$460 million. Though Bangladesh offers attractive package facilities for foreign investors, political unrest, the rise of Islamic militancy and the tarnishing of the country's image were impediments to smooth FDI flow.

Bangladesh was ranked 119 out of 135 countries in terms of the factors influencing FDI in a study recently carried out by the renowned international magazine Forbes. It revealed that the capital hospitality of Bangladesh has been dragged down, scoring only

32.6 out of 100 in the Capital Hospitality Index. The Forbes study has revealed that the position of Bangladesh has dropped, compared to its major South Asian neighbours, due to rampant corruption, poor competitiveness, and technological backwardness. Bangladesh was also ranked 133 out of 140 countries by inward FDI performance index in 2001-2003.

Bangladesh may also lose FDI due to incompetence of government officials and lack of appropriate preparedness for the next trade policy review by the WTO. The trade policy of Bangladesh is scheduled to be reviewed from September 13 to 15, in Geneva,

to see if they comply with the international standards. The WTO reviews trade policy of LDCs once every six years. Bangladesh failed to raise a single query during the US trade policy review in Geneva, while India, alone, raised 21 questions, and other developing countries many more.

Bangladesh and other countries in this region have lately turned their attention to luring FDI to sustain their economic growth against declining aid flow in the coming days. The World Bank estimated that at least 18 to 20 percent investment rate is required to achieve a growth rate of 6 to 7 percent in our GDP. The

actual investment rate in Bangladesh, however, swung to nearly 14 percent over the last two decades. Bangladesh badly needs FDI to attain a reasonable growth rate of GDP, but inflow of FDI remains lukewarm owing to political turmoil, rampant corruption, bureaucratic bottlenecks, weak infrastructure and poor law and order situation.

Among the South Asian countries, India's score was highest in terms of capital hospitality, followed by Sri Lanka and Pakistan. Being a most hospitable country to foreign investment in the world, China's score (41.2) was not satisfactory compared to its Asian peers, Japan, Malaysia, India and Singapore. Though Bangladesh scored relatively well in some areas like workers' wages, office rent, etc., much of its gains have been lost due to the pervasive corruption.

According to the World Development Indicator-2005 of the World Bank, China was the highest FDI recipient during 1990-2003, despite the fact that it held no position in 1970-79. This became possible with the change in its economic policy since 1979. India, which was low

in the list of FDI recipient countries since 2000, scored 11th position in 2003.

But the progress of Bangladesh, as an FDI recipient is relatively very slow notwithstanding the fact that the Foreign Investment (promotion and protection) Act, 1980, provides assurance to foreign investment against nationalisation, and guarantees equal treatment to foreign investors. Bangladesh is also a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank group, the International Centre for Settlement of Investment Disputes (CSID), etc. Such guarantees protecting the foreign investors against political and other risks have not been able to increase FDI inflow to the country.

The biggest industrial conglomerate of India, the Tata group, has suspended \$3 billion investment plan in Bangladesh. It is clear from the statements of government officials that pre-poll political reckoning has put big economic deals on the back burner. Such a situation is not at all conducive to investment, while it has become quite difficult

these days to attract FDI against cut-throat competition.

Foreign investors are taking out more money than they have pumped into Bangladesh in the last five years, mainly through profit repatriation, and repayment of loans to foreign banks. According to Bangladesh Bank, out of several hundred foreign investors in the country, a few mobile phone companies dominate this outflow of money, followed by oil and gas companies and foreign banks. Between 2001 and 2005, foreign investors repatriated \$2,744 million while the FDI inflow was \$2,185 million.

If we analyse the nature of FDI in Bangladesh in this context, we find that most of these are in the energy and fertiliser sectors. FDI in the manufacturing sector is very poor. FDI brings economic prosperity to the recipient countries by creating job opportunities, increasing volume of exports and revenue to government, and through transfer of technology. The main target of technology transfer cannot be achieved through these FDI.

While considering the cases of Malaysia, Thailand and Philippines, we find that these

Asian countries primarily relied on FDI as an important means for boosting technological capability. As far as the remittance of profit and dividend is concerned, unrestricted repatriation of capital and profit, with capital gains, are allowed in Bangladesh. According to some economists of the country such FDI will hardly bring long-term benefit for our economy.

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