The Baily Star

Dhaka, Wednesday, July 10, 1991

Towards an Efficient Free Market

If something is worth doing, it is worth doing well. After our own experiences with socialism and nationalisation, we have come to the decision that the future growth of our economy will be based on the growth of the private sector boosted by a free play of the market forces. Having reached that conclusion, it is only natural that we should take all steps to make the domestic market as free and efficient as possible. This is the crux of the message that the World Bank Report made public in a press conference yesterday. So now that we have opted for a free market based economy, then let us make that market as free

and as competitive as possible.

The question is, how do we go about doing it? One of the first measures that need to be taken is to remove the existing distortions that mitigate against the growth of an efficient market. Currently there exists a dichotomy in our economy between the public and the private sectors. Certain restrictions apply to the private sector and not to the other. Take for example the question of bank credits. Because the public sector units are considered government owned, banks do not hesitate — nationalised banks especially to continue to extend loans to them, far beyond the limits that normal banking considerations would dictate. Meaning that in competing for the same market, perhaps with the same type of product, there exists discriminatory credit facilities for the two sectors.

Similarly sometimes a public sector inefficiency is passed on to the private sector thereby inhibiting the latter's competitive edge. For example, because of the inefficiency of the power sector and due to more than 40 per cent system loss, price of energy is very high in our country, cost of which is borne by every production unit that uses that energy. If our energy sector was efficient, resulting in cheap energy, our manufactured products would cost less, resulting into a bigger market and a more efficient play of the market forces. The point here is very clear. Both the private and the public sectors must compete on equal footing, and the government should not subsidise efficiency and mismanagement.

In trying to create an efficient and competitive market in Bangladesh it has to be remembered that more than 60 per cent of our people are outside the scope of market forces. This is because of the widespread nature of our poverty. Because of large-scale unemployment there is low generation of income, which hinders the expansion of effective demand in the market. Therefore an essential part of our efforts to expand our market should consist of measures directed to alleviate poverty. In this the multi-lateral aid agencies and bi-lateral assistance bodies must help us to attract more foreign investment.

While we expand and open our markets to foreign competition, efforts to erect tariff barriers and other protectionist measures must be halted in the markets of the developed countries. As we are becoming competitive in some areas, the markets of those products are being closed to us, or are at least being made less accessible. The World Bank and the International Monetary Fund (IMF), two of the most powerful proponents of free market, must play a more active role in preventing protectionist measures from being adopted against the developing world.

Zaituns and Gender-strife

GK Chesterton's was doubtlessly a ponderous presence. But his literary bequest for us is bewilderingly diverse - and subtle. GK wrote a nightmarish thriller - 'The Man who was Thursday' which took off with two friends arguing about what was an accident. On maintained that in his daily shuttling between the Victoria and Charing Cross railway stations — when he would fail to . reach destination without his intending it, the preventing agent would be an accident. The other friend said it was indeed on the contrary - every time he reached his destination was an accident - for there were a million reasons for his failing to get to his desired place, much more than there were reasons for his succeeding in doing so.

If GK were living now and in Bangladesh he would be, sure enough, a befuddled man himself. Zaitunnahar, a student of the Rauzan College went to visit her relations in Betbunia sometime last month. While taking a stroll in the beautiful surroundings, she was pounced upon by five policemen from the nearby police training camp - gang raped and — as a parting gift — hacked to death. (She, however, somehow survived the blows and was treated at Chittagong Medical College. On July 1 she succumbed to her injuries.) What is the chance of anybody in Bangladesh going out to anywhere and returning in one piece? No doubt many still do that otherwise this place would simply cease to be. But there are quite a few Zaituns who do not return - and their number is on the rise. Not-returning is perhaps still not the rule, and is a case of accident. But, if things are not made to change for better, returning would soon become an accident.

A student from Dhaka has written to a national daily to say, in many angry words, that it was good for Zaitun to die - for living for her would mean social torture for the rest of her days. It is a letter that denounces both the crime and all that would follow - that is heaping punishment after punishment on the victim for her part of the guilt in being a woman and then surviving such a violation of the human person. It is also a letter written in despair and in an expression of social protest. Even in our backward, unjust and unnourished society, women are coming up and taking their place out. Gender-conflict would follow in profession before the puffed up males come to accept the new-emerging equation. And, it is certain, the process will exalt many martyrs—Zaitun being one of them, and by no means the first or the last.

Social protest is the best instrument to restrict casualties in this unequal strife. Unequal because one gender has all that it needs to have its way law and religion, tradition and economic power, social imbalance and muscles. And the other nothing to protect her — and her children. Unequal because the bully is fighting a losing battle. He is already on the retreat and that explains his extratouchiness, born mostly of nervousness. Every act of burning Daisies alive in Kaliganj and elsewhere and of gang-raping Ziatuns in Betbunia and elsewhere drives a nail into the coffin of male privilege.

T is not power that corrupts but fear. Fear of losing power corrupts those who wield it and fear of the scourge of power corrupts those who are subject to it.

Most Burmese are familiar with the four "a gati", the four kinds of corruption. "Chanda gati", corruption induced by desire, is deviation from the right path in pursuit of bribes or for the sake of those one loves. "Dosa-gati" is taking the wrong path to spite those against whom one bears ill-will, and "moga-gati", is aberration due to ignorance. But perhaps the worst of the four is "bhaya-gati", for not only does bhaya, fear, stifle and slowly destroy all sense of right and wrong, it so often lies at the root of the other three kinds of corruption.

Just as "Chanda-gati", when not the result of sheer avarice, can be caused by fear of want or fear of losing the good will of those one loves, so fear of being surpassed, humiliated or injured in some way can provide the impetus for ill-will. And it would be difficult to dispel ignorance unless there is freedom to pursue the truth unfettered by fear. With so close a relationship between fear and corruption it is little wonder that in any society where fear is rife corruption in all forms becomes deeply entrenched.

Public dissatisfaction with economic hardships has been seen as the chief cause of the movement for democracy in Burma, sparked off by the student demonstrations of 1988. It is true that years of incoherent policies, inept of ficial measures, burgeoning inflation and falling real incomes had turned the country into an economic shambles.

But it was more than the difficulties of eking out a barely acceptable standard of living that had eroded the patience of a traditionally good-natured, quiescent people - it was also the humiliation of a way of life disfigured by corruption and fear. The students were protesting not just against the death of their comrades but against the denial of their right to life by a totalitarian regime which deprived the present of meaningfulness and held out no

hope for the future. And because the students' protests articulated the frustrations of the people at large, the demonstrations quickly grew into a nationwide movement. Some of its keenest supporters were businessmen who had developed the skills and the contacts necessary not only to survive but to prosper within the system. But their affluence offered them no genuine sense of security or fulfillment, and they could not but see that if they and their fellow citizens, regardless of economic status, were to achieve a worthwhile existence, an accountable administration was at least a necessary if not a sufficient condition. The people of Burma had wearied of a precarious state of passive apprehension where they were "as water in the cupped hands" of the powers that be.

Emerald cool we may be As water in cupped hands As splinters of glass

In cupped hands. Glass splinters, the smallest with its sharp, glinting power to defend itself against hands that try to crush, could be seen as a vivid symbol of the spark of courage that is an essential attribute of those who would free themselves from the grip of oppression.

Bogyoke Aung San regarded himself as a revolutionary and searched tirelessly for answers to the problems that beset Burma during her times of trial. He exhorted the people to develop courage: "Don't just depend on the courage and intrepidity of others. Each and everyone of you must make sacrifices to become a hero possessed of courage and intrepidity. Then only shall we all be able to enjoy true freedom."

The effort necessary to remain uncorrupted in an environment where fear is an integral part of everyday existence is not immediately apparent to those fortunate enough to live in states governed by the rule of law.

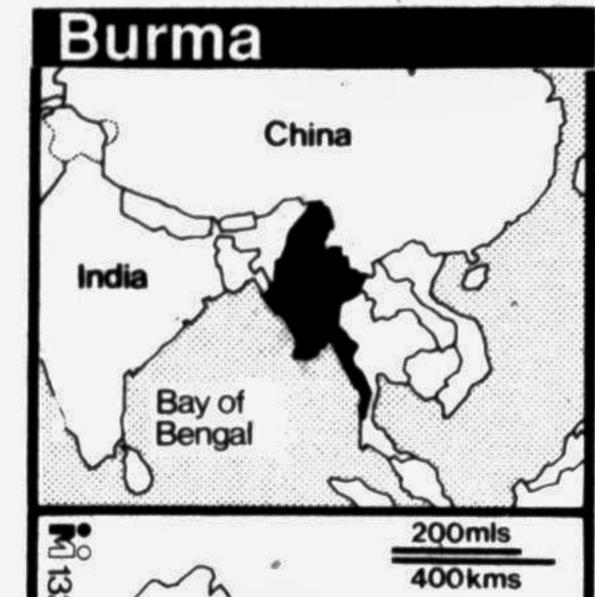
Just laws do not merely prevent corruption by meting out impartial punishment to offenders. They also help to create a society in which people can fulfil the basic requirements neces-

Freedom from Fear

by Aung San Suu Kyi

Today, July the 10th 1991, Aung San Suu Kyi, Burma's leading politician and dissident, is awarded the Sakharov Prize for Freedom of thought by the European Parliament. She is, however, not in Strasbourg for the award ceremony since for the last two years she has been under house arrest in Rangoon. The three previous prize winners were Nelson Mandela, Alexander Dubcek and Anatoly Marchenko.

Despite the overwhelming electoral victory of her party in May last year, Aung San Suu Kyi and many of her supporters continue to suffer political detention. The military authorities have refused to transfer power to a civilian government in accordance with their previous promise.





sary for the preservation of human dignity without recourse to corrupt practices. Where there are no such laws, the burden of upholding the principles of justice and common de-

Francois



cency falls on the ordinary people.

It is the cumulative effect of their sustained effort and steady endurance which will change a nation where reason and conscience are warped by fear into one where legal rules exist to promote man's desire for harmony and justice while restraining the less desirable, destructive traits in his nature.

In an age when immense technological advances have created lethal weapons which could be, and are, used by the powerful and the unprincipled to dominate the weak and helpless, there is a compelling need for a closer relationship between politics and ethics at both the national and international levels.

The Universal Declaration of Human Rights of the United Nations proclaims that "every individual and every organ of society" should strive to promote the basic rights and freedoms to which all human beings regardless of race, nationality or religion are entitled. But as long as there are governments whose authority is founded on coercion rather than on the mandate of the people, and interest groups which place short-term profits above longterm peace and prosperity, concerted international action to protect and promote human rights will remain at best a partially realised struggled.

There will continue to be arenas of struggle where victims of oppression have to draw on their own inner resources to defend their inalienable rights as members of the human

The quintessential revolution is that of the spirit, born of an intellectual conviction of the need for change in those mental attitudes and values which shape the course of a nation's development. A revolution which aims merely at changing official policies and institutions with a view to an improvement in material conditions has little chance of genuine success.

Without a revolution of the spirit, the forces which had produced the iniquities of the old order would continue to be operative, posing a constant threat to the process of reform and regeneration. It is not enough merely to call for freedom, democracy and human rights.

There has to be united determination to persevere in the struggle, to make sacrifices in the name of enduring truths, to resist the corrupting influences of desire, ill-will, ignorance and fear.

Saints, it has been said, are the sinners who go on trying. So free men are the oppressed who go on trying and who in the process make themselves fit to bear the responsibilities and to uphold the disciplines which -- will main-

tain a free society. Among the basic freedoms to which men

decade-long

aspire that their lives might be full and uncramped, freedom from fear stands out as both a means and an end. A people who would build a nation in which strong, democratic institutions are firmly established as a guarantee against state induced power must first learn to liberate their own minds from apathy and fear.

Always one to practise what he preached, Aung San himself constantly demonstrated courage - not just the physical sort but the kind that enabled him to speak the truth, to stand by his word, to accept criticism, to admit his faults, to correct his mistakes, to respect the opposition, to parley with the enemy, and to let the people be the judge of his

It is for such moral courage that he will always be loved and respected in Burma - not merely as a warrior hero but as the inspiration and conscience of the nation. The words used by Jawaharlal Nehru to describe Mahatma Gandhi could well be applied to Aung San The essence of his teaching was fearlessness and truth and action allied to these, always keeping the welfare of the masses in view."

Gandhi, that great apostle of non-violence, and Aung San, the founder of a national army, were very different personalities, but as there is an inevitable sameness about the challenges of authoritarian rule anywhere at any time, so there is a similarity in the intrinsic qualities of those who rise up to meet the challenge.

Nehru, who considered the instillation of courage in the people of India one of Gandhi's greatest achievements was a political modernist, but as he assessed the needs for a twentieth-century involvement for independence, he found himself looking back to the philosophy of ancient India: "The greatest gift for an individual or a nation..... was "abhaya", fearlessness, not merely bodily courage but absence of fear from the mind.

Fearlessness may be a gift but perhaps more precious is the courage acquired through endeavour, courage that comes from cultivating the habit of refusing to let fear dictate one's actions, courage that could be described as "grace under pressure" - grace which is renewed repeatedly in the face of harsh, unremitting pressure.

Within a system which denies the existence of basic human rights, fear tends to be the order of the day. Fear of imprisonment, fear of torture, fear of death, fear of losing friends, family, property or means of livelihood, fear of poverty, fear of isolation, fear of failure. A most insidious form of fear is that which masquerades as commonsense or even wisdom, condemning as foolish, reckless, insignificant or futile the small, daily acts of courage which help to preserve man's self-respect and inherent human dignity.

It is not easy for a people conditioned by fear under the iron rule of the principle that might is right to free themselves from the enervating miasma of fear. Yet even under the most crushing state machinery courage rises up again and again, for fear is not the natural state of civilised man.

The wellspring of courage and endurance in the face of unbridled power is generally a firm belief in the sanctity of ethical principles combined with a historical sense that despite all setbacks th condition of man is set on an ultimate course for both spiritual and material advancement.

It is his capacity for self-improvement and self-redemption which most distinguish man from the mere brute. At the root of human responsibility is the concept of perfection, the urge to achieve it, the intelligence to find a path towards it, and the will to follow that path if not to the end at least the distance needed to rise above individual limitations and environmental impediments.

It is man's vision of a world fit for rational, civilised humanity which leads him to dare and to suffer to build societies free from want and fear. Concepts such as truth, justice and compassion cannot be dismissed as trite when these are often the only bulwarks which stand

against ruthless power.

Exclusive to Gemini News Service

France

The Elysee's New Face

decade of almost uninterrupted Socialist Party rule has brought a new generation of leaders into positions of power in France.

They call it the "rose nomenklatura", a play on the emblem of the party that took the reins of government in May 1980 after the first victory of Francois Mitterrand in the presidential elections.

Over that period, France's leadership "has become a little more rose, somewhat feminised and above all rejuvenated", commented the influential 'Le Monde' newspaper.

Similar conclusions have been reached by other journals and by recent research by various French sociologists, political scientists and journalists. These studies affirm that

the change began 10 years agr and produced "a conquest of the nerve centres of society" by the Socialist Party.

Yet this evolution, which marked the access of the 'Mitterrand generation' to the levers of power, did not bring any greater politicisation of the holders of economic power.

"Despite being loyal in his relations of friendship, Mitterrand has not taken advantage of his position in the Elysee Palace (seat of the presidency) to favour his fol-

lowers in the economic apparatus," said one commentator.

The decade which Mitterrand has spent as the head of state has brought essentially a rejuvenation of executives in the major industrial and financial groups, says economist Elie Cohen.

However, these new leaders, their ages averaging under 50, "think they do not owe anything to the socialists, and see themselves above all as entrepreneurs independent of their political allegiance." Jean Peyrevelade, president

of the UAP insurance company, the largest in France, and considered a symbol of the new class of French executive, agrees.

This professionalisation of economic leaders began in 1983 when the Socialist Party abruptly changed the direction of its economic policy and decided to give greater autonomy to private companies, he said.

Between 1981 and 1982. the nationalisation of private companies brought into the board room "people selected

presidency has diversified and democratised access to power in France, Daniel Gatti of IPS reports from Paris.

Mitterrand's

on the basis of their political colour rather than their professional qualities", says the newspaper 'Le Monde'.

But starting in 1983, the state began to take more interest in professionalism, and it may be said that "globally, men directly linked to the Socialist Party are not very numerous in the upper reaches of the national econ-

This trend increased in 1988 when the socialists returned to power after the brief government of the conservative parties (1986-

The alternation in power between the socialists and the right "brought a depoliticisation in the process of selecting economic cadres, because the

Socialist Party in 1988 kept many of the cadres introduced by the right in 1986", according to political scientist Alain Duhamel.

Denis Kisser, head of the powerful Federation of Insurance companies, says that with the arrival of Mitterrand and the socialists to power "a formidable generational effect was produced, with the propulsion of young people into leadership posts."

This was a phenomenon which distinguished France from Japan, Germany or the United States; countries where "it is rare to see young people at the head of important com-

The left in power has "diversified and democratised" the access to power, promot-

members, middle-level functionaries and experts, say sociologists Monique Dagnaud and Dominique Mehl. Still, workers and farmers

ing trade unionists, party

were almost as scarce among the 'nomenklatura' of the country as a decade ago, according to official statistics.

Of the 10 socialist militants who surrounded Mitterrand in the election posters of 1981 "only the worker and the farmer, as frequently happens in French politics, continue to be obscure personages", according to media commenta-

shrewed borrowers while

OPINION

The Defaulter Issue between shrewed and non-

Some one had to do it. And BNP Government has done it this time. Sir, I am talking of the defaulter issue whose beneficiaries are now, through various fora, giving veiled threats on the consequences like its adverse effects on the revival of economic activities and country's economic recovery, loss in revenue earnings through taxes, duties and income tax etc. As is usual, any action has its reaction and it was not unexpected that the defaulters would try to make an issue of the action which no past government dared so far.

the "Opinion" column dated

18th June sound very well and cogent. There will always be a lot of convincing (?) arguments in favour of non-payment. This has been the case with every defaulter everywhere, however big or small the amount may be. If one in a large business group is losing money on his/her borrowed investment while profiting in others, as said by your columnist, that does not and should not mean that he/she should not honour his/her commitment to the banks. Most of them prefer investment in new venture rather than repayment of loans which, in most cases, are taken for granted. Government action is not against borrowing as has been attempted to depict but against nonpayment of public money by a handful few whose reputation have now been affected as the people have come to know the way of their amassing wealth which was so long known only to few. We do not subscribe to your columnist's views that government should distinguish

asking for refund of the loan. Hence, the suggestion to publish "names of 20-25 wilful defaulters wellknown to everyone" omitting others is to make a discrimination amongst the defaulters which the government cannot and should not do. To bankers, all clients are equal both in respect of lending and recovery. Hundred days of hartals and strikes are recent events while loans have long origin. Fluctuation in exchange rates are not uncommon in our country, either. After all, it is Your columnist's views in the public money on which the bankers are neither getting the interest nor the capital back while they have to borrow from the Central Bank to overcome their operational problems.

Sir, in any such decision making there may be some who have been involved unwittingly. But then that cannot be helped. Such individuals can offer clarifications through press as some of them have already done. It is our firm belief that the government will never be harsh on genuine borrowers or on their genuine difficulties. But how do they expect that, as in the past, the government would continue to be a mute spectator while a few will play with public money without any accountability? After all the country's new government is trying to establish a concept of accountability for everyone. Why should the privileged few consider themselves as above

M.Abedin Motifheel C.A., Dhaka,

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Michael Landon

Sir, Deadly cancer has recently claimed the life of an internationally reputed television star, Michael Landon, Michael died on July I, from inoperable cancer of liver and pancreas. We deeply mourn his death.

Like many other TV viewers of the world. I am also an admirer of Michael Landon. During my school days I used to watch Michael as the Little Joe in the popular series 'Bonanza'. His remarkable roles as Charles Ingalls in "Little House on the Prairie" and as the angelic drifter in "Highway to Heaven" will remain adive in our memories for ever. May God rest his soul in eternal peace. M. Zahidul Haque

Assistant Professor, Bangladesh Agricultural Institute, Dhaka-1207.

Increased duty on gas Sir, Recent Budget has increased the Excise Duty on Gas

by 10% effective 1st July. Titus Gas should ensure that all the gas meters have been read before that day as otherwise they would calculate any excess consumption on revised rates, although the read-

ings would pertain to consumption before the enhancement of duty. This would mean that the consumers will have to pay Excise Duty at the higher rate for the period when Excise Duty was lower. Narme Ali

Motijheel, Dhaka.

Share market Sir, Several agencies have

welcomed the proposal of Finance Minister made in his budget speech in the Jatiya Sangsad in respect of disposal of government shares inherited as abandoned assets after liberation.

Unfortunately I am still in possession of shares purchased during Pakistani days but no compensation has been given yet, while Bangladesh Government continues to dispose of Pakistani properties through auction or so. Further I purchased shares of Eastern

Cables, a subsidiary company of Steel Engineering Corporation, but till date no annual report has been received though annual general meetings have been held four times till date.

Under the above backdrop can we manage share market properly leaving aside the profitability part? Let the new government look into it, hopefully to the benefit of shareholders.

Maghbazar, Dhaka.

Sadik Alee

Israeli threat

Sir, Your 'Briefly' news column on July 1 rounds up with a Reuter report quoting the Prime Minster of Israel, Yitzhak Shamir as saying that 'only war could end Syrian hostility toward Israel'.

No wonder! it will be Syria's turn after Iraq.

Hasan Shaheed Dhaka.