Dhaka, Wednesday, August 28, 1991

### Implement these Measures with Care

A set of punitive measures have been announced by the Council of Ministers to curb corruption in our examination system-ranging from one year of imprisonment for creating disturbance in the vicinity of where examinations are being held to 10 years for such offenses as leaking out questions, giving false certificates or marksheets and tampering with the answer scripts of the students. As punishment the jail terms are severe. But given the widespread nature of offences and the regularity with which they occur, a strong argument can be made for the type of action that the government has actually adopted.

However, with the increase in the severity of punishment, the burden of administering it in a just and fair manner also increases. The need to guard against abuse of such measures also rises. But is our government equipped to handle these measures in such a manner? Formulating laws or enacting punitive measures is quite different from actually implementing them. Laws, not so severe, but deterring enough, were already in place. How effectively were they implemented? How many corrupt students, dishonest teachers or unscrupulous government officials had been

punished under the existing laws? Punishing those who abuse and corrupt our education system is definitely one way of handling the issue. But the major flaw with this strategy is that it does not deal with the problem itself, only deters - that also for a time - its occurrence. Before we send hundreds — and they may well be thousands - to jail we must delve into the question as to why our students adopt unfair means in the first place. Without any attempt to condone their action nothing could be further from our intention — we must face the fact that there is a total lack of motivation among our students to pursue their studies. Linked with it is the fact that our teachers have no motivation either to impart proper education to the students. In fact the possibility is perhaps not too far fetched that a certain section of teachers may themselves be beneficiaries of the system that we are now trying to eradicate. How often do we see teachers themselves goading students into private tuition to make a little money on the side. The permeation of coaching classes, tutorials and the like do not speak of a highly ethical community of teachers in our country.

There is then the question of the type of education that is being imparted. The issue of its relevance and appropriateness has been raised over and over again. The text books that are prescribed for our students are often of such poor quality — containing mistakes ranging from facts to grammar, spelling etc. — that what is gained through them can hardly be called a proper education. It is a student community-prepared by teachers who are not motivated, with the help of books and materials that are of questionable quality, studying in schools which are often so only in name, completing a curricula bearing little relevance to the needs of our society-who are now being asked to maintain the sanctity of our examination system under the threat of being sent to jail for one to several years.

The problem, we would like to point out, is far from being that simple. We support the move only as a first step. A step which should be immediately followed by a serious examination of the malaise that afflicts the system and which in its turn will be followed by reforms that will obviate the need for the type of measures just adopted.

### Sporting Fireworks

The sporting world is on fire. Cuba started it all. The smarting Americans had some consolation in springing soccer surprises - proving a regular match to world leaders in this newly imported game. Then in Tokyo the Americans whizzed past the Havana bitter memory with their trio of Lewis, Burrell and Mitchell running the race of the century. With the fourth-running Linford Christie of Britain — all six on the track did the 100 metres in well under 10 seconds. And the first two broke the world record. Lewis possibly has something more to show, judging from the fact that he was last to leave the block in this dream race.

In far-off Brussels, the double capital of Belgium and Europe, Viswanathan Anand gave the legendary Karpov nightmares for days on end and firmly planted the map of this subcontinent on the world map of chess. Anand is at present one of the eight leading chess players of the world and he narrowly missed shoving Karpov out and jump into the hallowed foursome, all at the very last game. The two fought off evenly till the seventh game - with one win each and five draws. There was a fair chance for Anand to at least draw in the eighth, from the go of the previous games - in which case they would be locked in a tiebreaker which Anand, as a faster player, possibly one of the fastest in the world, could well have won. But experience paid and Karpov carried the eighth game and transported himself to the semifinals.

With a lot of fireworks in the Tokyo tracks and fields, pools in Athens were writing their place into history. Hungary made a world shaking splash there at the European swimming championships. Imagine 17-year-old Egerszegi creating two world records in four days shaving off hefty flakes from the old ones. The backstroke queen's compatriot and the better known Norbert Rozsa set up the third world record by slicing 0.16 seconds off the world mark for 100 metres in breaststroke. These helped Hungary to follow closely the united Germans for a second place in

the tally of golds — both way behind the Soviets. It was almost a photo-finish in Tokyo when Nurutdinova of Soviet Union beat the fancied Ana Quirot of Cuba by a hair-breadth 0.05 seconds to the tape in the 800 metres. Here was also a field of four bursting on the tape almost simultaneously.

These are warming and elevating news — all from abroad. Bangladesh hasn't so far even a dream of some day being on the world class in athletics and swimming. Our only world class player Niaz Morshed has, for very complicated reasons it seems, fallen miles behind Viswanathan Anand who came to the grandmaster scene much later. No lights appear at the end of our long dark tunnel.

economic blueprint, the New Development Policy (NDP), which replaces the controversial 20-year (1970-90) New Economic

Policy (NEP), contain no major surprise, and has been

generally well-received. Flipping through the 177page document, it's easy to see why investors and businessmen are as bullish as the tone of the document is. The administration of Prime Minister Mahathir Mohamad, reelected for another five-year term last October, has set ambitious goals in its fast-track approach to make the transition to a fully developed economy by the year 2020.

Given Malaysia's diverse economic, cultural, and political milieu, planning for the NDP itself hasn't been easy or without controversy.

Politics and business have long been defined on racial grounds, and the NEP only exacerbate this division through its affirmative bias in favour of the Bumiputras in almost every aspect of daily

For 20 years, the NEP used a wall of quotas, tariffs, subsidies, and government patronage to restructure the economic and social fabric. The end-objective was to transfer at least 30% of the corporate cake to the Bumiputras, who are the Malays and other indigenous groups in the country. Recently, with the Malays

**MALAYSIA** 

# A Liberal Blueprint

having deemed to have achieved substantial progress, some of the more radical aspects of the NEP appear to have been dropped, even though, according to the government's own figures, the Malay share of the corporate cake at end-1990 was only 20.3%, well below the 30% target. This comprises 14% held by Bumiputra individuals and enterprises, and 6.3% held by trust agencies. The calculations of ownership were based on the par value of all limited companies which



Mahathir: Ambitious plan

that other holdings as properties and unlisted companies) weren't included. A further 8.4% is held by nominee companies, which do not classify holdings

No wonder, there is much dispute as to the actual share of Bumiputra wealth. Until a better or even fairer formula is devised, it will be practically impossible to separate the grain from the husk.

Despite this hoopla, what is apparent is that there is now a more liberal regime that wants to promote private sector investment regardless of race - which fell off sharply in the early to mid-eighties before a rapid recovery subsequently as the engine of development and restructuring of the econ-

Typically, while the NDP continues to maintain the basic system of controls, quotas, and licences, the distribution of the largesse to Bumiputras will be much more restricted in order to check some of the abuses that were apparent in the NEP. A large chunk of the Bumiputras' wealth is concentrated among a small elite

group of Malays, a distinction that is not missed in the NDP.

But, that is not to say that the mollycoddling will stop, for the NDP clearly specifies that the end-result should go beyond the acquisition of wealth, that is, to manage and control business enterprises.

Significantly, while the original 30% target share of equity hasn't been dropped (for too obvious reasons), it's couched in not so unequivocal terms and language - no longer is there the same dogmatic approach espoused in the old NEP. Moreover, no firm timetable has been set to achieve the target. And, reflecting the new approach, the government has chosen privatisation of state and quasistate corporations as the main avenue to increase Bumiputra equity participation.

### Ownership of Share Capital (at par value) of Limited Companies, 1990

(M\$million)

Ownership Group	1990	(%)
Bumiputra individuals and enterprises	15,322.0	14.0
Trust agencies	6,976.5	6.3
Chinese	49,296.5	44.9
Indians	1,068.0	1.0
Others	389.5	0.3
Foreigners	27,525.5	25.1
Nominee companies	9,220.4	8.4
Total	109,798.4	100.0
Sources : Registrar of Information Co	Companies (ROC	), Centra ), PNB and

Economic Planning Unit (EPU) estimates.

The government has recognised wealth creation as a more effective income distribution mechanism, and more important, as a strategy to alleviate poverty. To that extent, the NDP will rely more on the carrot rather than the stick to secure its objectives. On paper, the NDP treats

foreign investment favourably, suggesting that entry requirements for investments in the manufacturing and tourism sectors will remain liberal. Even so, there's no mention whether the special incentives for foreign-held equity in the manufacturing sector, introduced during the recession in 1986 and expiring this year, will be extended - or watered down.

Overall, the economically dominant Chinese are expected to share some of their business experience through joint ventures with the Malays as the NDP suggests, but they should not feel too threatened by this.

To achieve its goals, the NDP envisages an annual GDP growth of 7% till the year 2000. That's 1% lower than that set out for the NEP, which failed to reach the target and recorded only 6.7% growth annually over the 20-year period. The current population of 18 million is projected to reach 22.7 million by 2000.

> By arrangement with the Asian Finance, Hong Kong.

than \$17,280, people with

children who are ineligible for

family support and married

superannuitants with a private

income of more than \$23,741.

the charges as 'deeply shock-

ing for modest income New

Zealanders. According to

The Opposition described

## Cabinet of the Rich Dismantles Welfare State

David Robie writes from Auckland

Once regarded as a model for the world, the New Zealand system of social welfare has

fallen victim to heavy debt and deteriorating terms of trade. The country is beset by growing

poverty, social problems and crime. Many New Zealanders are worried by what they

describe as their "slide to Third World status". The government, in the spirit of

HE conservative government of New Zealand has taken a gamble on its political future by hitting its middle class supporters with drastic changes to the traditional cradle-to-grave welfare system.

Finance Minister Ruth Richardson, in her first budget, has unveiled a programme which introduces charges for beds in state-run hospitals, a three-year freeze on national superannuation along with a tough means test for pensioners, and an identity card for the 300,000 beneficiaries and low income earners.

The government finance team, dubbed "the razor gang", slashed NZ \$600 million off state spending and introduced new user-pays revenue sources to produce an estimated deficit of more than \$1.7 billion - a figure below financial market expectations.

Tough though the budget was, it was less harsh than had been expected from "Ruthless Ruth" Richardson, who is a leading figure of the New Right faction in government and is the politician currently rated the most unpopular in New

Her budget was drafted after the biggest slump for more than a decade in the real average income of each New Zealander. Alarm has been growing over the extent of the national debt, which has now reached \$44 billion after 18 years of over-spending.

After being elected late last year the Government took its first step towards balancing the books by slashing the incomes of welfare beneficiaries by an average of 10 per cent. Earlier this year it introduced new industrial legislation which drastically curtailed the role of labour unions.

The government faced bitter demonstrations over the **Employment Contracts Act and** the country has been hit by high unemployment, poverty and crime rates. Unemployment is expected to rise to

nearly 13 per cent. Currently, 250,000 people are out of

Economists are divided over whether the budget could restore prosperity, and a number of political commentators regard the future of the unpopular government as seriously at risk. Some predict the recession will worsen.

Opposition Labour Party leader Mike Moore - whose party also followed Thatcherlike monetarist solutions when in power - has accused the government of betraying every promise to the country and of committing an "act of treason" against elderly New Zealanders. Militant pensioner leaders have condemned the budget as diabolical and threaten a campaign of civil disobedience to protest changes to pensions.

New Labour leader Jim Anderton said: "It is a long, sad suicide note." Created in the 1930s, New Zealand's noncontributory welfare state was the first such system in the world and for years was used as a model for other countries.

Three of the Government's backbench MPs have threatened to oppose the superannuation changes. Another critic, former prime minister Sir Robert Muldoon, said the budget was not as bad as expected, but he warned Richardson of scrious problems next year.

Maori leaders said their people faced "gloom and despair" and they would be denied health care and education. More than half of Maori students at tertiary institutions are mature students who will

casualties, and formally divided its people into groups of haves and have-nots. now have to pay hefty charges. Barely a week before the

budget, Deputy Opposition Leader Helen Clark embarrassed the government by claiming in Parliament that 12 of the 20 cabinet ministers in the Bolger cabinet were mil-

1960

Where the money goes

6.6 Development o

5 Debt services

31.3 Social services

6.7 Health

42 Benefits

lionaires. She said the cabinet was by far the wealthiest ever in New Zealand.

Top of the rich list is Commerce Minister Phillip Burdon who is said to have assets totalling \$40 million. Second-ranked is Police

Minister John Banks with \$3.5 million. Prime Minister Bolger just nudges in with \$1 million.

Possibly the most controversial section of the budget concerned changes to health, which have nonetheless won support from many doctors.

Area health boards have been replaced by commissioners and a new structure of four regions will be set up to control public health. However the biggest change is that if people are classified as middle or high-income earners on a tiered scale, they will now have to contribute to the costs of hospital treatment, which has traditionally been free.

Low income earners will have to carry a "Kiwi card" as proof of their income status in order to qualify for assistance

with health costs. This scheme has brought criticism from Barry Wilson, chairman of the Council for Civil Liberties: "It is a snooping system that Hitler and Stalin would have been proud of. Kiwi card is like pinning a star on their foreheads and calling them the deserving

Richardson denies that the card will effectively be an identity card. An estimated 53 per cent of New Zealand's 3.4 million population will be able to

Middle income earners will have to pay charges for hospital care according to a tiered scale. \$50 a night for a hospital bed will be a typical charge. Hardest hit are those designated as high income earners - single adults carning more

Thatcherism, has slashed government spending, with health and welfare being the main Helen Clark, health minister in the previous Labour government, the universal public health system, built up over 55 years, is headed for destruc-

> In an attempt to break the financial and political deadlock over state pensions, Ruth Richardson has revived a twotiered superannuation scheme, but eventually only people aged over 65 will be eligible. As a compromise she has granted a universal state benefit for all

> those aged over 70. The proportion of retired people of New Zealand's total workforce - known as the dependency ratio - is expected to double from 15 per cent in 1980 to 30 per cent in 2030 as the so-called post-war baby boomers stop working. This is on top of the continuing high number of structurally unemployed.

The combined figure could mean a dependency ratio as high as 45 per cent. New Zealanders realise that the state can no longer support growing dependency and social systems as well as free health services.

A mood of public cynicism and desperation is growing throughout the once-prosperous and peaceful South Pacific state, and few people seem to care if Ruth Richardson manages to balance the financial books by 1993 as promised. The point to the social cost. - GEMINI NEWS.

DAVID ROBIE has been editor or held senior editorial positions on newspapers in Australia, Africa and France, and is a former editor of

Insight magazine in New

Zealand.

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.

### Whither solution'

Sir, Would you kindly allow me to add my voice to the anguish of Mrs Munira Khan expressed in your letter column, The wrongdoers are not

confined to mobs on the streets, law enforcing agencies or the erring magistrates. They are also seen in many govt, semi-govt departments, corporations or institutions wherever there are monopolies and the general people are denied alternatives. And the damages go beyond breaking and burning of vehicles or wrong judgments - into the loss of right, not to be disturbed or bothered by fictitious or paid bills shown as arrears. When the telephone bills are paid in the manner and to the people prescribed by the telephone authorities, one has a right not to be bothered to have to go to the office and arrange for the postings in the ledger or threatened with disconnec-

I am not saying that there are no honest officers or workers or you cannot protest in the street. But what I am

also saying is that the government has a duty to take action against non-performing officers or workers, or people taking out a protest march without permission and breaking glass, or policeman who waits to be told to go after the law breaker every time.

pens when ...... ....Civil servants/employees who routinely do not carry out their duties, and the person who is supposed to supervise those people, routinely gets paid without supervising

them?

Have you noticed what hap-

...The Ministers who preach and caution officials of sterner action, cannot provide the support needed to take action against wilful negligence to carry out an order given legally for administration to be run impartially and with discipline curbed because trade unions have become more powerful than that be?

...When electricity and for that matter water sewerage bills are paid by the consumers to the branch of the bank nominated by the concerned authorities but the

postings are not made in the ledger by the staff, and the consumers are held responsible? ... When gas authorities do not bill regularly according to their installed household meters and direct that consumers pay monthly fixed charges until they send the bill as per meter reading; when monthly fixed gas charges are assumably greater than the supposed gas bills as per meter? We know what happens if the monthly fixed charges are

Social welfare spending

I am sorry to say that in all these cases almost nothing happens to these who do not perform their duty except that the consumers are treated by them less fairly than the court would treat criminals. The criminals are assumed to be innocent and have to be proved guilty. But in our (poor) case - we are guilty first and we have to prove to the people who are guilty themselves for not doing their jobs, that we are innocent.

There is a call to increase collection of bills of electricity, gas, water etc. but also an inability or unwillingness to assist the administration to get the bill clerks to make regular bills and give support to management for taking prescribed actions for failure.

The hon'ble finance minister wants to raise extra tax but cannot ensure that the tax payers are assessed each year, let alone bring into the net the people who evade payments.

The examples of damages, harassments etc. show that the people - the voters, the taxpayers, who supposedly are supreme and have the power do not realise that they have lost 'the power' to the organised force (bureaucracy not excluded) and there does not seem to be anyone - even the process of appeal does not work - in our society to protect the interests of the silent majority. D M A Islam

RUTH RICHARDSON

Finance Minister

25 Medicines and benefit

1 Hospital and area health boards

Paribagh, Dhaka

Health spending

### Trial-and-error

Sir, Bangladesh has been congratulated by foreign governments on her decision to follow parliamentary system once again, which was tried during 1973-1974 before constituting one-party national government.

In an LDC like Bangladesh with three-fourth population functionally illiterate, how fruitful this system will be is subject to a test of time. Pragmatically, the progress of a nation is vested mostly in the productive resources - visualization to materialization - not merely in the form of government. Many Third World states have made remarkable progress with different systems of governance -- imperial or presidential or parliamentary or collective or plural or dictatorial or else - as did the developed countries.

On such an occasion, however, a proposition of switch-

ing back to monarchy was also expected, since getting the right thing at any time could be better-late-than-never. At least a number of states in similar condition, if not worse, have learnt to live happily with

In any case, in keeping up

royal administration.

with the current global trend of democratising state affairs as a recognition to the human rights, re-enacting parliamentary rule will rejuvenate voters' hopes for a better life in a greater magnitude than the estimated socio-economic outputs. Besides, from the standpoint of national wellbeing nothing is wrong with trying something anew; hopefully, the right way will lead to the 'golden fleece' someday. Until then, "What's next?"

M. Rahman Mymensingh 2200

### **NGOs**

Sir, Your editorial (Aug 17 on the state of the NGOs is timely. The number of such agencies, both local and foreign, have mushroomed during the last four years. The country appears to have become a happy hunting ground for the activities of such groups.

Perhaps it would be in public interest to release a white paper on the NGOs, to elicit public opinion, before the issue is debated in the Parliament.

The high salaries of the locally recruited executives might upset the market, and

cause heart burning in other services. I know of at least two cases in which the bright young executives, with hardly five years' of total service experience, in two different foreign NGOs, were drawing salaries around Taka 20,000 per month.

There are also other national and international implications which have to be carefully examined for long-time impact. Also we should not carry the undestrable legacies of the former autocratic regime.

The foreign NGOs are welcome, but that should not prevent us from undertaking evaluation exercises at periodical intervals, especially with the change of the government.

In my residential area, there is an NGO office almost every 50 metres, within a radius of 500 metres. It means that these bodies are surviving on good inputs; otherwise many would have closed down.

The boom should accelerate with almost five billion dollars of foreign assistance in the pipeline. It would be a miracle if our humble national infrastructure can absorb such huge input within the stipulated period. It needs a lot of time and energy to finalize the details of the hundreds of projects coming up, and implement and complete the same within the target dates.

The sense of urgency is hardly apparent to the public.

A. Mawaz , Dhaka