

## Option for University Teachers

With violence rather than academic excellence making newspaper headlines, the reputation of universities — without exception — have greatly suffered over the past years. So has the esteem of those who teach and seek to acquire knowledge there. Particularly, the teachers' fall from grace has been an irreparable loss. Sure enough, not all the teachers are angels, nor are all only concerned with parochial considerations. Yet their slide from the high pedestal has in no way invited anything on the scale of the Jahangirnagar University incident that has put to shame the country's highest academic pursuit.

The fact that the university teachers of the country have been forced to go on a strike, thanks to the government's mindless indifference, following further distasteful developments of that ugly attack on JU teachers by none other than militant cadres of the ruling party's student wing, accounts for an inherent weakness in our political system. Not only did the so-called student, a Jatiyatabadi Chhatra Dal (JCD) leader and who has been the cause of this despicable teacher-student confrontation, ignite the fire that appears to be consuming whatever was left of the academic aura but also has tried to shift the blame on the teachers by filing a case against them.

Evidently, the JCD activist who was earlier expelled for his resorting to force in validating his tender bid, throwing everyone else's, is a hard nut. Or, maybe, he has advisors who know how to complicate the issue further. But equally true is the fact that legal considerations aside, the motive is to violate the educational atmosphere not only of that particular university but of other universities as well. Otherwise, this could be a true test for the government's sincerity to get rid of elements bringing the ruling party to disrepute. If the government is hesitant in taking to task its erring activist, it loses the moral right to preach that it is bent on making the campus violence-free.

In the past, as leader of the Bangladesh Nationalist Party (BNP), Begum Zia earned praise by taking a bold step when she expelled some of the more militant cadres locked in internecine feud and working as paid armed gangs for the autocratic regime. Now in power, she should have the double reason to take even bolder decisions to deal with unruly elements in the JCD. The teachers may have commanded less respect than what they did in the past, but this time their stake is as big as their existence itself.

The teachers have amply demonstrated their resentment of the treatment they have received through yesterday's strike. They will repeat it on Wednesday next and nobody knows where it will end up when their protest goes unheard and unresponded and their indignation turns into anger. But the teachers have waited long enough in which time the ruling party could quickly move to rein in the mad horse in its stable and bring an end to this shameful episode. If in the earlier incidents ministers could rush to reconcile the feuding parties, what does stop them this time? We do not know what the ruling party is thinking about this matter. But we would like to impress upon its leaders that immediate steps must be taken to restore peace on the JU campus.

## A Tribute to Prof Ibrahim

The more knowledgeable of the hundreds of thousands of diabetics of the nation will today remember in gratitude Professor Muhammad Ibrahim. We join them in paying tribute to the founder of what is popularly known as the Diabetic Hospital on his fourth death anniversary today.

Professor Ibrahim was a scientist of international recognition and through sheer merit became the chief scientific adviser to the President of Pakistan. But it was more than that position that distinguished him. Like Professor Klauda his lifelong image was as a man on the top irrespective of what position he held.

People, however, do not remember him for that. He was one of that rare breed of scientists-cum-organisers in line with Eurico Fermi and Carlo Rubbia or Abdus Salam and our homegrown PC Mahalanabis. It is this streak in him that was instrumental in building that lasting and great memorial to him — the Diabetic Hospital. Diabetes was once held as a rich man's disease and many indeed didn't like the rising behemoth of a building on a city prime-land to care for the few who were afflicted by that. One need only a leisurely stroll inside the hospital complex any morning these days to readily know how far all that was wrong — and how farsighted was the Professor.

Not only that. In a land where hospital management had dwindled to bring back to mind the situation Florence Nightingale found herself caught up in the Crimea, Professor Ibrahim with his direct supervision made his place the cleanest and most efficient showpiece of a medical centre easily comparing to such in the developed world.

Now that he is gone, it is in the interest of the nation's health and more specifically its health management situation, that the Ibrahim Memorial Hospital continues to excel as a great medical centre and also as an example for others to follow. And now that he is no more it is imperative that its service and effectiveness grow in quality to form into a fitting tribute to Professor Ibrahim.

We are sorry to observe that things have not been moving capably on that desired line. From the outside it is evidently a case of the organisation failing to cope with the mounting pressure literally overwhelming it. It is a wonder that the place is still in one piece but surely enough quality in many things has had to be compromised. To compound this problem, there can at the other end be the trouble of monetary support failing to cope with the dictates of maintenance, replacement, modernisation and simple physical growth.

The diabetic hospital has beyond doubt proved a great national asset. It is now for the government and the society at large to take its problems as their own and let the organisation again be a model for all other hospitals. We suggest that at least some of its many activities be given over to other subsidiary organisations. In fact in the long run, we would want fulfilled organisations offering the same services as this one and situated at three regional centres of the country and at least one more in this metropolitan city itself — all affiliated to the mother set-up.

Treatment of diabetes is a long-drawn and money-consuming thing. Professor Ibrahim brought it to the reach of the masses by the method called the Ibrahim Memorial Hospital. No one as yet has taken his cue to set up a similar poor man's hospital for cancer or dermatological or ENT diseases.

**T**AKA will be made convertible on trade and current accounts from October 1 and fully convertible by June, 1994. According to press reports, this is what the Finance Minister said in his meeting with the Bangladesh Garment Manufacturers and Exporters Association last week. There is a bit of confusion here. Current account covers trade account. Besides, it was generally thought that during the first phase, Taka will be made convertible only on trade account. In any case, we should see the first staging post on the road to full convertibility of the Taka, coming up in about three weeks time.

Quite a few countries in Asia have taken on the job of freeing their currencies from controls. We hear quite a lot about what is happening in India. The latest news on this front indicate that India is moving ahead to make its rupee convertible on current account, a stage ahead of convertibility on only trade account as of now. Nepal, on the other hand, appears to have made its rupee convertible on current account at one go. Shri Lanka has lifted exchange control on nearly all transactions on current account. However, its rupee is yet to be put on a free float.

Except for the requirement of the central bank for certain specified investments abroad, Thailand seems to have attained full convertibility of its currency. The Philippines has lifted the total ban on purchase of foreign exchange for investments abroad and now permits such transactions up to a ceiling of one million US dollars. Otherwise, its currency also is fully convertible now. China and Vietnam too are moving towards convertibility of their currencies. As for Vietnam, it set up foreign exchange centres in a bid to establish a currency market. Exchange rates are set by these forex centres. China

## CURRENCY CONVERTIBILITY

# Taka should be Put on a Free Flow

also appears as following a roughly similar course in its initial moves for convertibility of the currency. While still retaining an official rate which is pegged at an artificially high level, China has allowed its currency to float in currency exchange centres, also known as the swap market. Companies use the swap market rate for paying for imports, repatriate profits and similar other transactions. By allowing the rate in currency exchange centres to be set by the market, China is seen to have taken a first step towards convertibility of its currency.

In most of the instances cited here, even partial convertibility is considered as a bulwark against currency black market, underhand fund transfers abroad and smuggling. In the case of India, analysts say that the artificially high official exchange rate had encouraged smuggling and gold hoarding. The premium for foreign exchange on the black market had been high. To get around tight exchange controls, businessmen are said to have over-invoiced imports and under-invoiced exports to transfer funds abroad. Estimates put the level of such transfer of funds overseas at an annual average exceeding one billion US dollars. In the case of the Philippines, a study based on the comparison of its own data with statistics maintained by the importing countries, showed that funds transferred through under-invoicing alone, equalled on average 23 per cent of the country's total exports annually. In the case of Vietnam, black market transactions used to account for 90 per cent of foreign currency needs. In China, the official exchange rate for US dollar

had roughly been about half the price of its currency on the black market. Yet, flight of capital, engineered by purchase of foreign currency on the black market, is said to have constituted a major drain on its resources.

On being set free, it would seem that the most immediate reaction of the currency market is to correct the overvaluation, if any, in the official rate of exchange. The Thai baht had all along been a stable currency. Convertibility brought hardly any ripple in the currency market in Thailand. In the case of the Philippine peso, the ex-

natural outgrowth of exchange controls and this country is not an exception. The kerb market will not disappear overnight just because a degree of freedom has been imparted to the currency to move about. It will linger on until Taka attains full convertibility within the parameters set by the International Monetary Fund (IMF) Article VIII. Not only should the market determine the par value of the Taka but its conversion into other currencies would be freely allowed and funds would move in and out of the country without official restraint. This, in essence, is what full convertibility implies.

Currency black market, or the kerb market, if I may call it, feeds underhand transfer of funds abroad and smuggling. However, its role is not necessarily all pervasive in these areas. Underinvoicing and overinvoicing in foreign trade transactions offer a wider avenue for underhand transfer of funds overseas. And, gold also finances smuggling.

Even at this initial stage of currency control deregulation, the objective should be to create conditions under which the Taka can find its real value in the market place. Allowing the Taka to move within a pre-determined band — the base rate announced by the central bank providing the referral — won't serve this purpose. Such a form of managed float could prove counterproductive. The kerb market might thrive in this

situation. Taka should be put on a free float even if convertibility on trade account only is introduced in the first phase. True, a managed float might help curb speculation. However, the central bank can always take corrective measures by buying up or selling the intervention currency. Experience of the countries in the region also shows that after the initial flurry, the currency tends to settle down at a level which the market perceives as representing its real value.

As for underhand transfer of funds abroad, even in its initial stages, currency market deregulation should aim at eliminating the reasons which motivate such activity. Convertibility on current account should not pose that big a problem now. Current account transactions such as remittance of profits, dividends, royalty and technical fees, have already been freed from controls. The latest liberalisation measures have rendered transactions on account of foreign travel, treatment and education abroad, virtually free of exchange control. Of course, fears that opening the doors fully could cause a massive outflow of funds, might linger. However, in practical terms, does it really matter that much?

Funds are being transferred anyway. Rather, given a situation of macroeconomic stability at home and an appropriate domestic interest rate structure in place, open doors could, in fact, act as a psychological barrier to illegal practices. Economic motives behind such activities also do not thrive in a deregulated environment. Smuggling draws its sustenance not just from an unrealistic exchange rate but also from import and tariff regimes,

as well as from extraneous factors, such as drug traffic. However, Taka on a free float might offer new possibilities for tackling the problem of smuggling across the borders. In a regime of exchange controls, the appropriate rate for conversion of currencies often stands out as an economic barrier to working out a border trade agreement. With currencies on free float, fresh prospects for entering into border trade agreements with the neighbours could open up.

Streamlining the system of forward cover for foreign exchange transactions is another area which calls for attention. True, difficulties in obtaining forward cover might discourage speculative deals in currency. However, it also hurts bonafide transactions. On balance, it is perhaps more important to ensure the growth of confidence and stability, for bonafide transactions in foreign exchange. Banks should be allowed to invest their foreign currency funds abroad as soon as convertibility is introduced. This will at least make it easier for the local banks to obtain reinsurance cover from their foreign correspondents. Experience of India shows that allowing banks to invest abroad brought the premium for forward cover down.

**A**UTHORITIES could also consider allowing currency exchange booths to operate. Such a move could help curb the black market and reduce the preponderance of banks in foreign exchange dealings. Accepting cash foreign currency for conversion, no questions asked, the booths could siphon funds from the kerb market. Come to think of it, such booths could also accept sight drafts — usually sent by wage earners abroad — which also feed the black market in currency.

# Loyalist Forces Dare Nepal's Congress Party

Jan Sharma writes from Kathmandu

**Based on its performance in the 1992 local elections when it emerged as Nepal's third largest party, the RPP hopes to dislodge the ruling party in polls next year**

**T**HE unexpected but impressive turnout at the national convention of loyalists to the deposed one-party regime has led many to conclude that democracy is 'under threat' from 'regressive and revivalist forces'.

The first convention of the Rashtriya Pajatantra Party (RPP), launched following the restoration of multi-party parliamentary system in 1990, signalled its emergence from the dumps at a time when political pundits are predicting that a snap poll is now a distinct possibility next year.

The conclave in mid-June also marked the birth anniversary of the late King Mahendra who in 1960 ended Nepal's brief stint with multi-party democracy and transformed his regime into an autocratic monarchy.

The meeting was addressed, among others, by Surya Bahadur Thapa, former prime minister and the party's re-elected president. He asserted that his party is an alternative to the ruling Nepali Congress party which, he charged, has failed to live up to expectations.

'We are the only party launched in Nepali soil, offering the Nepali people the best mix of nationalism and democracy,'

Mr Thapa said. Nepal's major parties — the Nepali Congress party and the Communist Party of Nepal — were both launched in India in the late 1940s to overthrow an autocratic government and restore the monarchy.

Although the RPP is made of former loyalists of the disgraced regime, its leaders have pledged commitment to multi-party democracy. 'We, too, suffered under the panchayat regime for advocating political reforms,' said Mr Thapa, blaming the conservative elements in the royal palace for obstructing political reforms.

The timing of the RPP convention could not have been better. With the Nepali Congress party followers disenchanted with their timid leaders, and with communists in ideological disarray following the collapse of communist regimes in eastern Europe, an immense opportunity awaits 'new political parties'.

Western diplomats in Kathmandu also noted a new spurt in RPP activities following King Birendra's successful state visit to India last May.

Nepal's popular monarchy was the main target of attack during the 1990 pro-democracy movement which was backed

particularly by India. The visit, which came at the invitation of Indian President Shanker Dayal Sharma, was essentially aimed at mending the fence with the King. New Delhi also offered the King its 'full cooperation and understanding'.

These developments may have long-term implications for Nepal's domestic and regional politics. Opposition to Prime Minister G P Koirala will grow within his party as his detractors argue that the RPP would not have been as impressive had he performed better. The 1991 general election was dominated by the Nepali Congress party and the united Marxist-Leninist faction of the Communist Party of Nepal (UML) that joined hands for the popular movement.

The RPP, then divided into two factions led by two former prime ministers, secured only four seats in the 205-seat Pratinidhi Sabha, or the lower house of parliament. But it hopes to do much better in the

upcoming elections, based on its performance in the 1992 local elections when it emerged as the third largest party.

During its recent convention, the RPP approved the goals of 'nationalism, democracy and liberalism'. High on the agenda is nationalism which, RPP leaders claim, took a back seat with its main rivals.

There seems to be no major differences between the RPP and the Nepali Congress party on domestic fronts. But foreign policy issues sharply divide them.

In a resolution on the ongoing Tanakpur treaty controversy on water sharing with India, the RPP calls for the utilisation of Nepal's water resources on the basis of mutual interest, friendship and equality between the two countries.

It argued that Nepal, by making available her territory for the construction of the Tanakpur barrage, has contributed to the project and as such she is entitled to her

rights and equitable sharing of irrigation water and electricity generated from the project. The RPP called for renegotiating the treaty signed in December 1991.

In another resolution, the RPP blamed the 'incompetent handling' by the government of the problem of Bhutanese refugees in Nepal. It urged Mr Koirala to pursue a 'stronger and clear-cut' policy on the question of the repatriation of about 100,000 Bhutanese currently camped in eastern Nepal.

Talks between the two countries failed to produce results after Bhutan refused to agree that all those in the camps were 'refugees'. It maintained that those displaced persons living in camps in Nepal were in fact Nepalis who were returning back from the eastern Indian states of Assam and West Bengal.

The two issues — the water sharing accords with India and the repatriation of Bhutanese refugees — are likely to shape the future directions of Nepali politics.

Mr Thapa's relations with the royal palace have always been an enigma. He was hand-picked by the King at critical junctures of Nepal's political history. And yet he complains of

a 'well-orchestrated attack' on him by the royal palace.

For example, Mr Thapa came out sharply against what he called 'dual administration' — the rule of the Singh Durbar (an ancient palace housing the king government) and the Raj Durbar (the royal palace) in the turbulent 1970s. Later, he complained that 'underground elements' had taken over the country to undermine the constitutional authority of the elected government.

Although Mr Thapa claims to have always remained loyal to the King and the disgraced one-party rule, his ruthless suppression of political opponents before his ouster reflected the declining popularity of the monarchy in 1980s.

Not surprisingly, the RPP remains bitterly divided both on ideological and personality issues as was clear during the closed-door sessions during the conclave. This trait is also shared by other major parties.

And like other parties, the RPP is also in transition, defining its role in the new political situation. But before challenging the ruling party, it may begin by proving that it is not a party of regressive and revivalist forces.

— Dephnews Asia

## To the Editor...

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.

### "Dhaka Blues"

Sir, On Friday, August 06, your column 'Opinion' came out with the above named recapitulations of Mr A B Sattar.

Thanks for publishing this write-up. My own memory of those days is no less enjoyable.

To my mind late in sixties we saw the beginning of the present day culture of 'hijacking', 'mastani' etc. May I cite such an example out of my own experience of those days. Probably it was a Sunday winter, evening of 1970. I had to drive up to the Inter-section of Dhanmondi Road 4 and Green Road to get some medicine for my ailing wife. After purchasing the medicine when I opened my car door, a group of young boys came over on both the front door side from no where. Two or three of those who were on my side asked me very politely if I could give them a lift to some location of the University campus. I got alarmed but kept my outward calm. This reminded me of an incident of the same type when a owner-driver had to pick-up such a group, later to be pushed out of the car and driven away by self-imposed passengers. I was glad that I had medicines with me and explain to them that I had to reach home immediately with the medicine. I showed them these were for my ailing wife. Few moments later one of them spoke out in a commanding voice to his companions that I should be allowed to proceed towards my destination.

In these days we have evolved a social system for creating and rearing would be hijackers, mastans and hoodlums. They are gradually trained into full fledged hoodlums and mastans. In this direction, as allegations go, our 'patriotic' political leaders have a commendable contribution.

I join my voice with Mr Sattar when he prays for returning the city of good old days, but with little hope.

Syed Wailullah

Mohammadpur

Housing and Pisciculture Coop Society Ltd, Dhaka

Red-tape hurdles in industrialisation

Sir, I refer to the write-up captioned 'Red-tape hurdles for industry' by Mr Juned A Choudhury vide your 1st Aug, 1993 issue, which has pointed out some very vital flaws now being faced by entrepreneurs aspiring to set-up industries in Bangladesh.

For a new industrial unit, ad-hoc Import Registration Certificate (IRC) is issued ONLY after the completion of 100 per cent construction and installation of the entire capital machineries upto the turn-key stage. This takes minimum 2/3 months depending upon the size of the industry or its production volume. I feel this to be grossly unjustified as a major portion of the investment, incurring interest, remains idle till the receipts of ad-hoc IRC and subsequent import of raw

materials. The end result of such petty, whimsical realities which the entrepreneurs have to face, escalates the cost of the industry manifold.

I, therefore, would like to put forward the following suggestions to the ministries of industries and commerce through the columns of your esteemed daily.

1. On the basis of permission received from the Board of Investment (BOI) or after the establishment of L/C for the capital machineries, the industrial unit be given permission to import raw materials or, it should become automatically eligible to import raw materials (unrestricted items only) without requirement of any permission.

2. Such ad-hoc import of raw materials should be allowed to the extent of 40 per cent of the annual capacity for the initial operation of the industry. This will eliminate the long and unnecessary waiting for the Board of Investment permission and also for the arrival of the raw materials from abroad which also normally takes 2/3 months time. The industrial unit will directly apply to the Regional Chief Controller of Imports and Exports after the establishment of L/C for the capital machineries; accordingly, the Chief Controller of Imports and Exports office will issue the ad-hoc permit. The industrial unit will observe the other relevant formalities for the regular IRC in due course.

In the best interest of industrialisation, I do hope the relevant authorities will adopt all measures to remove the hurdles mentioned herein, expeditiously.

Kamaluddin Ahmed,

Sponsor Director, Eastland Insurance Company Limited

Director, Chittagong Chamber of Commerce and Industry.

## Pakistan: Gender Politics

Elections in Pakistan are still for men, most women just stay at home. Haider Rizvi reports for Inter Press Service from Islamabad.

**M**ILLIONS of women in Pakistan will again be confined to their homes while their men troop to voting centres to elect a new government in mid-term polls in October, women's activists here say.

Though an Islamic republic, Pakistan's constitution guarantees a woman's right to vote and contest elections.

But in practice, women have been denied this right in successive elections, particularly in the two western provinces where politics is considered an exclusively male preoccupation.

In Pakistan's still-feudal North West Frontier Province (NWFP) and Balochistan where women in far-flung villages and towns are treated like cattle and have no rights, tribal elders if they will participate or stay away from the electoral process.

'Usually, tribal chieftains reach an informal understanding that no women will be allowed to vote,' says a rights activist who observed that not a single woman voted in the NWFP constituency she monitored in the 1990 election.

According to official estimates, only 45 per cent of women voters exercised their franchise in the last elections.

The Women's Action Forum (WAF), an umbrella organisation of various groups in Pakistan, recently urged the chief election commissioner in Islamabad to ensure greater participation of rural and tribal women in the political process.

To their dismay, however, Commissioner Naimuddin, a retired judge, brusquely informed the WAF delegation he can do nothing.

'In my opinion, a woman must obey her husband. It's her

duty. What can we do about this?' he said.

Plenty, says the WAF, which has been campaigning for equal rights for women in Pakistan where for political gains governments have tampered with the country's liberal laws to satisfy orthodox opinion.

The previous Nawaz Sharif government had in 1991 opted to Islamise Pakistan's legal code to ensure support from the right.

Women's groups want Naimuddin to declare as 'illegal' the social pressure exerted on women not to vote. The WAF says the commissioner has the power to 'authorise action against husbands found blocking their wives' way to polling stations'.

But Naimuddin insists it is a social problem. 'We cannot challenge the tribal social system,' he says.

Dismissing the matter as a 'domestic issue', he said WAF should take the matter to court as the election commission cannot 'stop a husband if he does not want his wife to cast a vote'.

Women's groups see red. 'He is a male chauvinist,' seethes Nasreen Azhar, a well-known activist who represented Pakistani human rights groups at the World Conference in Vienna in June. 'We expected him to be a democrat in spirit.'

I A Rehman, director of Pakistan's human rights commission, has also taken strong exception to the chief election commissioner's remarks on women. 'Whatever Justice Naimuddin has said is insulting for women,' he said.

Rehman, among the 3,500 international observers who

monitored the elections in Cambodia in May, declared the denial of voting rights to rural Pakistani women as a 'blatant violation of the constitutions and fundamental rights... for which the state must own responsibility'.

The opposition to women's participation in elections is interestingly not principled. Observers report that women's votes are often abused to manipulate results.

Says a WAF activist who monitored the voting in NWFP in the last election says: 'When a candidate feels his defeat is certain, he can forget everything about tribal values and ask his supporters to bring their women to the polling station.'

Politics is monopolised by men in Pakistan. The lower house of parliament that was dissolved by a presidential decree in July had only two female members even though 49 per cent of the country's roughly 125 million people are women.

The WAF is demanding that the government reserve 30 per cent of seats in parliament for women.

Until 1990, 20 seats in the national assembly were kept aside for women. But the previous government chose not to nominate members just to spite the opposition led by Benazir Bhutto who was briefly Pakistan's first woman prime minister.

Women's activists doubt if the new government will be more sympathetic to women's issues.

'Whoever comes to power this time round won't do anything for us,' says Azhar. 'But we will not give up our struggle.'