Dhaka, Saturday, May 7, 1994

Privatisation Policy Statement

The two-day workshop on privatisation held in the city last week would serve a useful purpose if it helps deepen the understanding by the society of the issues involved in the divestiture of stateowned enterprises, the risks the programme carries and the benefits it could bring. We, on our part, have all along argued for greater interaction between the policy makers and the concerned interest groups to add to the transparency of the exercise. Let us hope that the workshop marks the beginning of a process of consultations on privatization.

Apart from the policy makers and officials, a cross-section of the society including economists, professionals, business leaders and trade union representatives, attended the workshop jointly organised by the Privatisation Board and the World Bank Resident Mission in Dhaka. The entire gamut of privatisation including its rationale, macro-economic issues and regulatory environment, the options available and format for implementation, labour aspects and social dimension, came up for consideration at the workshop. A coherent policy could well emerge out of these deliberations.

Divestiture of state-owned enterprises is very much an ongoing affair. Yet, society's perceptions of privatisation still remain hazy. Some see it as a donor-driven programme, taken on hand without ascertaining the real needs of the economy first. Some suspect it to be an agenda for transferring public recourses to a fortunate few. Still others read in the process, a design for robbing them of their jobs and livelihood. Most of all, people remain confused. There just isn't sufficient information to decide one way or the other.

The workshop also provided a window on how the programme works in some other countries in the region. Top level representatives from Malaysia, Pakistan and Sri Lanka, related their experience with privatisation. They also narrated how they were able to overcome resistance to privatisation from the bureaucracy. labour fronts, consumers and other interest groups. It seems that these countries have set out articulate and well defined laws, rules and procedures governing privatisation. These include clear-cut guidelines on job guarantees for an interim period, terms of labour restructuring and redundancy payments. Some countries have also brought in consumer protection laws, particularly where the state-owned and services.

It is high time that the government issues a privatisation policy statement, clearly setting out the goals and objectives of the programme. The workers should be told in unambiguous terms of job security during a transitional period. severance arrangements, safety net programmes, including retraining and employee share participation schemes, if any. The modalities for implementing the programme should be spelled out in the guidelines. Potential investors should be fully informed of the extent of their participation in the programme and the procedures to follow. Shares of state-owned enterprises to be offered for public subscription, should be earmarked in the guidelines. Transactions must be transparent. conforming strictly to standard procedures, subject to public scrutiny.

Much has been made of a need for strong political will to carry out the privatisation programme. Political will cannot grow unless there is a broadbased support for the agenda. To lend such support to the programme, the society must first know that privatisation would benefit the community at large.

A Laudable Surgery

The Commerce Ministry has gone for surgery to eliminate a blistering wound and stem the spread of a rot embedded in Bangladesh's trade wings abroad. This undoubtedly is a laudable act manifesting for once the capacity of the government to take resolute steps and clear-cut decisions. There are pockets of inaction and regular stagnation throughout the entire gamut of governance in Bangladesh — and all such have been warranting similar drastic measures as the closure of the trade wing of the Deputy High Commission in Calcutta for Bangladesh. It would be very good for us all if other ministries took the cue from Mr Shamsul Islam's. If Mr Islam's men on the spot in Tokyo or Ottawa, Nairobi and Colombo have failed to justify their expensive presences in those capitals, what can be the state of performance of Mr Mustafizur Rahman's men and their teams in scores upon scores of capitals around the globe?

Trading is a highly quantifiable activity and figures speak very frankly and undeniably of whether certain people looking after our nation's interests abroad are worth their keep. How to measure the performance of less quantifiable activity such as diplomacy and all that is supposed to keep diplomatic enterprise shipshape? How many of our missions abroad can be said to be working effectively to Bangladesh's economic interest with the host countries? Our Foreign Minister had promised that under his leadership, most of our missions would push harder for commercial and trade diplomacy, rather than the usual. For this he also promised to give special training to all his diplomatic staff. We wonder what became of his

The encouraging operation at the Commerce Ministry, however, gives rise to a number of unavoidable questions. Was surgery done only after a prolonged treatment with medicine or was it necessitated because of a gross lack of it? Aren't there anymore trade wings in our foreign missions that deserve harsh admonition? Aren't there trade wings that are still benefiting from the government's couldn't-care-less approach as manifested in the Calcutta case?

The biggest question, however, involves the point of what will now happen to Bangladesh's huge trade transactions with Calcutta. We need there as effective and strong trade initiative and monitoring as is called for balancing the current irrationally adverse accounts with our neighbouring Indian state. What is going to take over the activity desired of the now-abolished trade wing there? Let us not behead one to treat one's headache.

Judicial Reforms and Investment

macro-economic stability of our order. Again, suffice here to mention, the public investment failures spill over into private investment decisions since there is strong evidence that high quality public in-

CROSS the board, there

A is a general feeling that

Bangladesh economy

continues to be locked into a

low investment — low growth

trap. This kind of phenomena

should be unlikely in an

economy where macro

economic stability tends to

persist. As days pass by, in the

absence of investment and

growth, adjustment costs tend

to rise and thus paving ways

for frustration and a possible

rebounce. This does not, of

course, mean that efforts are

not at all there to boost in

vestment. A host of measures

are already afloat to attract

domestic and foreign invest-

ments. But the ring of disso-

nance appears to emanate

from the divergence between

the needs and the deeds of the

hour. It should be mentioned

here that to make a dent to

Bangladesh needs a sustained

growth rate of 7 per cent per

annum and to feed this

growth, the share of invest-

ment to GDP should be about

one-fifth. But as the latest in-

formation goes, the growth

rate of the economy continues

to hover around 4-4.5 per

cent, share of investment at

12.5-13 per cent (public in

vestment stagnated at about 6

per cent of GDP while the pri-

vate investment at slightly

higher at 6.5 per cent). This

performance appears worse

than that of our neighboring

countries who do not have a

Philippines' endemic in-

surgencies — which have

helped make it the least

successful of Southeast Asia's

booming countries — President

Fidel Ramos has offered an

amnesty to rebels who have

taken up arms against su-

The move is a follow-up to

He described the amnesty.

Ramos' opening of peace talks

with all rebel groups after his

which has taken the govern-

ment two years of consulta-

tions with legislators to thrash

out, as part of an "unrelenting

quest for a just and enduring

peace" that has escaped the

The amnesty offer also in-

cludes soldiers and police

charged with crimes arising

from anti-insurgency activities,

raising suspicions that it may

be a smoke-screen for security

personnel to escape the con-

Leaders of the Communist

Party of the Philippines and its

armed wing, the New People's

Army (NPA), the Muslim

guerrillas of the Moro National

Liberation Front (MNLF), and

officers in the Reform the

Armed Forces Movement

(RAM) have rejected the offer.

putting the amnesty ahead of

the conclusion of the on-going

peace talks, which they say is

munist negotiator during the

unsuccessful 1986 peace talks:

"The preferred amnesty is one

which is part of a negotiated

political settlement where in

there are clear agreements for

a joint resolution of the social.

economic and political prob-

lems at the root of the armed

autonomous homeland in

southern Philippines for the

five per cent Muslim minority

in the predominantly Christian

country, brushed aside the

And former army colonel

Gregorio Honasan, who led two

coup attempts to overthrow

Ramos' predecessor, President

Corazon Aquino, commented:

"If amnesty is the only mean-

ing of the peace process than

we feel it's a waste, because

this is not the point. It is not

amnesty or ceasefire which is

the beginning and end of the

peace talks, but good govern-

not speak for rebels tired of

fighting who may see the

amnesty as an opportunity to

return to normal life. That is

partly why rebel leaders see it

as a manoeuvre to decimate

their declining ranks — which

Communist leaders are par-

may indeed be part of govern-

ment thinking.

The leaders, however, may

proposal as inconsequential.

The MNLF, fighting for an

Said Satur Ocampo, a com-

the priority.

conflict.

ment."

They criticise Ramos for

sequences of their actions.

country for three decades.

ccessive governments.

election in 1992.

poverty syndrome.

Bangladesh Judicial

vestment crowds in private in-

Scenario While the number of studies relating to constrains on investment run galore and most of them being related to incentives and deregulations, little concern seems to be on the surface about the health of our judicial system — one of the most vital determinants of private investment. Our present judicial system owes its origin to the colonial era and hardly any attempt worth significance was made to tune it with the changing needs of the society. One such need is more investment. Before any longterm investment commit ments are to be made, the investor would like to know and be sure about few pertinent things in Bangladesh. These are, whether, (a) contract can be enforced. (b) courts and government apparatus would function properly, (c) there would be security of title, (d) the basic business communica tion of balance sheets and profit and loss statements

by Abdul Bayes which are audited and certified can be relied etc. In fact, the basic premise of a capitalistic growth, or for that matter, a market oriented growth is the establishment of property rights where production and exchange take place under the umbrella of law. This means, in other words, that a society cannot establish a free market economy where the rule of law is not respected where the law of the land does not permit smooth economic transactions with lower trans-

Unfortunately, such an environment in Bangladesh is alleged to be absent. Weak general legal frame work, shaky confidence of public in the reliability of regular law en forcement, doubts about the speedy, competent, independent and impartial administration of justice and trans parency of legal rules as well as proceedings are the order of the day. Apprehensions loom large on the orderly commercial transactions to take place, on the effectiveness of the judicial process to ensure that laws and regulations will be enforced speedily and on fairness, transparency and predictability in the way rules are made and implemented by the

action costs.

In Bangaldesh files are alleged to be most often misplaced or "lost" but hardly any one faces a speedy trial. Because no market rate of interest is charged to the date of judgement or when an amount of money is found to have been due, there is every incentive to delay the proceedings. This goes against the plaintiff. Over burdened judges can hardly cope with files heaving daily and hence would like an adjournment tabled by "skilled" lawyers. There are too few judges chasing too many cases. Litigations carry more than a

decade or two to reach even

the shore of verdict.

The independence of judiciary is yet to come. The facilities, security and incentives with which the machinery has to work do not tend to be conducive to quick disposals of cases. One might like to ask: how could, in the past, private investments (maybe 5 or 6 per cent of GDP) take place despite such constraints in the legal system? The answer is very simple and could, probably, be placed this way: because there has been a default culture for which punishment had to be shelved due to procedural complexities, a highly protected market for which efficiency was not needed, politi-

cal interference in loan sanctions for which merit of the project was a secondary consideration etc. clients used to rush to the banks and did some investments, mostly the domestic ones. Some of them are now sick and on the brink of extinction. For some of those defaulters, cosy cars and palacious houses were, in fact, gifts of the society where rule of law was yet to get a root.

Changed Circumstances

Now the things are a bit dif

ferent. The economy is poised for growth via the free play of market forces. Not more are DFIs with money that would be like "free launch". Foreign Direct investments are now sought for and all doors are being kept open for them. As things now tend to move. some one would have to earn the dividend through X-efficiency display. The arsenal of incentives might not allure a genuine investor unless the investor is sure of a safe journey from production to disposal of the output phase. The speed of technological adaptation, along with other reforms, would determine the fate of investment and the investors.

It should not, however, be construed that we do not have enough laws to cover us but the fact is that existing laws cannot deliver goods properly dence of the judiciary (separation between administration and judiciary); (ii) manpower shortage in the system (iii) no provisions for special arrangements for disposal of business and investment cases (iv) improper emphasise on legal education and (v) making and updating laws with changing circumstances. Loopholes in this sector also adversely affects the other two important determinants of investments viz, administrative efficiency and money market efficiency. To deal with rampant corruption and inefficiency, there is no substitute of quick disposal of cases through making the judicial system more dynamic and hence responsive to the needs of changed socio-economic and political scenario.

because of (i) lack of indepen-

The government should. therefore, take up this issue more urgently than anything else. We hear of some initial steps being taken but a slower move would delay the response to reforms. Only economic policy reforms are not sufficient to give the dividends. Those are needed to attract foreigners to come forward with funds. But the response would hinge on whether they feel secured with money and policies. The judicial reform should constitute the top agenda at the moment. To repeat the old saying, Justice delayed, is justice denied.

Rebel Leaders Wary of Ramos' Amnesty Offer N an attempt to end The

Abby Tan writes from Manila

After two years' work on the small print, President Fidel Ramos has offered an amnesty to supporters of the communists, Muslims and army officers who have taken up arms against successive governments in The Philippines. Gemini News Service reports on his latest move to secure peace.

Seeking peace in The Philippines 400km/250mls Reform the Armed Forces Movement: 2 coup attempts, Luzon 7 mutinies President Fidel Ramos: 1992: Opens peace talks with all insurgents 1994: Offers amnesty Moro National Liberation Front (for Muslim autonomy): 15,000 armed men

ticularly worried since a bitter internal crisis is wracking the 25-year-old movement.

Ideologically orphaned by the collapse of communism internationally, the Philippines communists have been tearing at each other in disputes over the leadership of party founder, Jose Maria Sison, who clings to the orthodox theory of taking power by force,

Internal dissension has hampered peace negotiations because it is not clear who really represents the movement.

The bitterness of the split was underscore just days after the amnesty proclamation when the NPA executed a rebel leader, Hector Mabilangar, who had surrendered and was cooperating with the government. Government estimates put the number of armed NPA guerrillas at 8,500, down from a peak of 23,000 in

The Muslim rebellion has also receded. Fighting was at its fiercest in the 1960s when the MNLF, backed by Libya, waged a secessionist war in

8,300 guerrillas Mindanao for a separate Mus-

lini homeland, citing centuries

of neglect by the national gov-

New Peoples Army (Communist)

ernment. But a ceasefire has been in force since 1986 and a second round of peace talks is due to take place soon in Jakarta. The government 'estimates that there are about 15,000 men in arms, but many rebels have turned to extortion and kidnapping for survival.

Many of the few hundred military junior officers involved in the Reform Movement are known to want to take advantage of the amnesty, aware that diminishing popular support is whittling away their prospects

for success. The movement waned after two coup attempts and seven mutinies against the Aquino government between 1986 and 1989. It was Ramos, as Aquino's defence chief, who beat back the rebel officers.

Negotiations have been subject to fits and starts but it seems likely that an agreement can be reached. To be granted an amnesty, rebels have to submit a request to the government. A commission has been established to consider the applications.

Some specific requests will prove controversial, such as the case of the two communist killers of United States military officer James Rowe, who was gunned down in Manila in 1989. The US has made known its objection to an amnesty for the two men, who are serving life sentences.

The NPA maintains they were convicted for political crimes - part of a struggle to

remove US military bases and they are therefore eligible for amnesty. The government says they have been convicted of murder and may not be eli-

The government is hoping that by the time such controversial cases have to be dealt with, peace agreements will have been reached with all insurgent groups.

ABBY TAN is a Singaporean journalist specialising in economic and political affairs. She has been base in Manila since 1977.

OPINION

'Universities and the Source of Sickness'

Professor Zillur Rahman Siddiqui has again thoughtfully' written about the incongenial academic atmosphere now prevailing in our universities. Being an academician at Jahangirnagar University, he quite reasonably starts by referring to this university or hinting at the state of affairs that prevails here. Being an insider he is well aware of what is happening around him. He has been writing about education and the higher seats of learning with a zeal and enthusiasm which is characteristic of him as an educationist. It also manifests his concern for the 'good health' of our universities, for the future of our education and, by implication, for the future of our nation. In the column under reference he has sought to diagnose the causes of sickness of our universities with the help of concrete examples. He has mentioned the 'desperate search for a formula that will lead to a solution of this intractable

problem' of sickness.

According to Prof Siddiqui, along with others, the government, too, is to blame' for the sickness of the universities. In support of his assertion he has referred to the removal of such a distinguished scholar as Dr Mahmud Hossain from the position of Vice-Chancellor of Dhaka University. No doubt that the political government has its due share in the sickness of our universities. However, to be genuinely objective, Prof Siddiqui could have pointed out that the sickness, which was at a curable stage, aggravated when all and sundry were invited to join BAKSAL and people, including university teachers and officers went in batches to register as members of BAKSAL. The gate was opened to government officers as well. It was a dangerous move but, apparently not too many people were aware of the danger that lurked behind It was again a government move to politicise people of various professions. At one stage BAKSAL collapsed but politics remained as a divisive force and it continues to vitiate the atmosphere. As its legacy many teachers became active politicians to a great extent and now our teachers are, more or less, divided into as many political parties as there are in the country. Without going into details, it can be said with a fair measure of truth that division is seriously interfering with dispassionate academic pursuits because partisan interest frequently gets the upperhand. Whosoever is either appointed or elected à

Vice-Chancellor will belong ei-

ther to this party or that and

will face the same kind of op-

position or hostility as is faced

by an elected government from

the opposition. This is a very

stark and harsh reality.

Somehow or other political af-

filiation influences our atti-

tudes and actions in more ways

than one. Prof Siddiqui will

surely agree that this is also a

veritable source of sickness of

our universities.

Abu Taher Mojumder

Probably, for his own reasons, Prof Siddiqui has not thrown any light on the seamy side of teacher - polities based on personal ambition and aspiration in the universities. This is certainly another source of sickness deserving very serious and dispassionate consideration. This kind of politics often leads to inveterate intolerance, opposition and hostility. Jahangirnagar University, to which Prof Siddiqui often fondly refers, provides a very glaring example about the resignation of a Vice-Chancellor who polled the highest number of votes in the panel-election and enjoyed a reputation for being very honest, sincere and dutiful, because some of his peers would not accept him for the second term although he was 100 per cent democratically elected. He is a professor of this university and is a wellknown personality. What a love of democracy and autonomy has been demonstrated in his forced resignation under very unfortunate circumstances and what a 'splendid' treatment

did he receive from some of his colleagues! "Debased politics at the national level and academic purity at the universities" cannot really go together because the universities are not outside the nation and are very much exposed to all sorts of influences. But it is certainly unfair to blame only the party in power for 'debased' politics, the opposition parties have their due share in it. Prof Siddiqui must have meant it when he used the word 'national'. We expected him to be more explicit. It is thus clear that debased national politics is another 'source of sickness' of

our universities. Prof Siddiqui, however, has not touched upon another source of sickness which is represented by student politics in its present form, entailing clashes, shooting, kniling, bomb-blast, death, etc. He has, of course, hinted at it when he said that government and political parties should not 'look upon universities as citadels of power'. It would have been very fair on his part if he had said that neither the government nor the opposition parties could be exonerated "from the charge of undue interference in what concerns only the universities" simply because the opposition parties also work in subtle ways to unsettle matters in the universities through their student wings to discredit the government whose share of doing harm may be greater for being in power. The postponement of DUCSU election is an example of opposition interference.

I congratulate Prof Siddiqui for subtly pointing out another source of sickness which, for political reasons (mainly relating to election), most academicians fight shy of. This relates to the Chairmanship of Departments and Deanship of Faculties. He says "The framers

of the Act/Order made this office (chairmanship) rotative. The office has since virtually lost all its academic weight. No modification or refinement of a blind principle was ever attempted. The same has happened, to some extent, in the case of elected Deans of Faculties. In neither case is seniority and academic standing a factor any more". This is a lamentable fact in so far as academic advancement is con-

cerned. We have, it seems un-

wittingly, pushed democracy

and autonomy a little too far.

Professor Siddiqui's circumspection and insight unequivocally manifest in yet another diagnosis of the sickness when he says "The difficulty with our democratic Syndicates is that it is both bar and bench merged into one". For being "obligated to a constituency" the Syndicate is exposed to "ever present pressure" and "undue pressure". This is obvious because the teacher-members (they form the majority) are dependent on voters for any future election and find it difficult to be "less partisan". Besides, the Syndicate is not answerable or accountable to anybody and can act without restraint. However, if it were answerable to the Senate in some way or other, for the Senate is the miniature legislative body of the University resembling the Parliament in some of its functions, its activities would have been more streamlined and its authority would have been exercised with due circumspec-

tion and restraint.

Now what is the panacea for this sickness? Professor Siddiqui has provided some suggestions, no doubt, but, I think he perhaps has omitted the most important one — our ungrudging, unstinted unequivocal, sincere and spontaneous commitment to ad here to whatever is good for ourselves, for our universities, for our country and nation. As teachers, as students, as politicians, as political workers, as professionals in various capacities and as citizens in general we should aim at, in word and deed, acquiring and exercising goodsense and judgement. We should aim at learning and exercising the virtues of toleration, understanding, accommodation, selfcriticism and appreciation. Let us be educated in the true sense of the term and cultivate the habit of putting a bridle on our ego and unconscionable aspiration whenever necessary. The university teachers have a special responsibility (along with other educational institutions) in that they provide the most highly educated manpower to the country. If the quality of the manpower is good, the affairs of the country and the nation will be well taken care of. After all, the human factor in all states of life is the most important fac-

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Corruption and transparency

Sir, Democracy has often been qualified by various terms in the Third World countries to suit the requirement of the party in power. The stratagem was cleverly devised and catchy phrases were cunningly coined by henchman with view to clinging to power that is, by hoodwinking the unsuspecting and illiterate mass.

We have also come across phrases like "basic democracy", "democracy of development", "democracy of production", "democracy of Dal Bhat" and now comes democracy of "transparency and accountability" as a hot newest cliche. Ironically, all these ornamentations have not enriched democracy, on the contrary they have circumscribed it. There was nothing wrong about the smart phraseology -

the rot lay in their motivated, nay, diabolical application.

Recent non-holding debate on corruption is a case in point. Corruption, as is well known, in its various shades and ramifications, has permeated the worf and woof of our society. All said and done the monster is eating into the very fabric of all that we hold dear over the ages. Humanity is a hostage to this hydra-headed monster. Yet neither the Treasury bench nor the Opposition was in a position to debate on such an all-pervading issue as corruption by resorting to a maze of legal jargons thereby leaving conscious citizens mortifiéd. If such a social malady does not, by warranting exposure, become

transparent and accountable

what else does at this hour?

Monsur Ahmed Central Road, Dhanmondi, Dhaka

BRTA office

Sir. At present, motor-vehicle driving licence, learner's licence, conductor's cards route permit, fitness certifi cate etc. are issued by the Bangladesh Road Transport Authority (BRTA) office in Mirpur. But the people are facing a great problem in getting their respective works done at the BRTA Mirpur office because this office lacks staff and accommodation. Moreover, the only sub post office which receives a huge number of applications with fees for various purposes is manned by only one post master and another We would urge the compe-

tent authority to take urgent steps for solving the above mentioned problems of the BRTA office.

M Zahidul Haque Asstt Prof. BAI, Dhaka