

Spirit of Eid-ul-Azha

Eid-ul-Azha again comes back to the Islamic ummah with the message of sacrifice. This yearly remembrance of Prophet Ibrahim's unflinching readiness to make a supreme sacrifice of his dearest thing on earth in reverence to the Creator stands out with its far-reaching symbolic value. The occasion urges us to part with something for the sake of our fellow-beings.

A rather sad part of how does this great ingredient of the Islamic faith stands currently with the Muslims as a world community is that they have not been sufficiently spurred by it to ever new heights of sacrifice — or the Bosnian Muslims wouldn't be left in that infernal lurch. The tragedy is not, of course, of their making; but still how much have they been able, in unison, to stand by their brothers and sisters in Bosnia? On this great occasion we can resolve to be inspired to light up others' lives, now in dark clouds, through abstinence by the divine behest calling for true sacrifice. If only Eid-ul-Azha could inculcate in the vast Muslim majority a new spirit of camaraderie, the deeper meaning of it would be redeemed.

Eid-ul-Azha comes this year bringing a rather surprise gift to the Muslim world. The West Bank and the Gaza Strip have been turned over to the rule of PLO, which, however, has a long way to go before getting back all the Israeli-occupied territories. This has itself come after long decades of sacrifice — in terms of the ultimate in suffering and death. The Palestinians were the new homeless nation, floating in tents and tenements for more than thirty years of attrition. The beginning of a home-making, a victory by itself, has been made possible by the force of sheer unmatched forbearance and fortitude of the Palestinian people. For this heroic people to keep what they have earned and to augment this with ever new achievements may prove more challenging than ever. And an unfailing key to supervening those would again be unity and sacrifice, — sacrificing the individual interests for collective gain.

We have in this region for too long a time been confusing the true message of Eid-ul-Azha with shameful round of gluttony. A great festival, yes — but only as much as it celebrates the spirit of sacrifice and the parting for the poor in a spurt of fresh empathy. Our thinkers have every so often pointed to the hollowness of the garish show of ostentation — a mindless competition of who can slaughter the priciest animal — that attends the *qurban*. A restrained, dignified and circumspect approach to sacrifice coming from within the inner self will elevate it to something deserving to be recognised as true sacrifice.

Come Eid, and price soars endlessly. Perhaps there is no helping this — unless the profiteers turn over a new leaf with a demonstrative social commitment, especially in times of festival. At any rate, it should be possible to get a reprieve in the falling prices soon after Eid.

A happy Eid to all and wishing all a renewed faith in self-sacrifice.

Foreign Exchange Market in the Making

We carried a report a while back which speaks of a growing interbank market for foreign exchange in the country. Banks are the authorised dealers in foreign exchange, buying and selling the currency units of other countries against our Taka. The current phase of Taka convertibility has enabled them to expand the area of their operations somewhat. They now buy and sell foreign currency to each other as well. So, out of these transactions, the interbank foreign exchange market has emerged.

It is not a full-fledged foreign exchange market, of course. That calls for a much higher degree of globalization. Foreign currency would not only be free to get in but also get out. Capital would flow in and out freely. In our case, the process of convertibility on current account even is not complete yet. The Taka is not on a free float either. Nonetheless, a growing level of interbank currency transactions could be treated as an indicator of a foreign exchange market in the making.

International comparisons would not be quite meaningful at this stage. After all, daily turnover in the global foreign exchange market runs up to one trillion dollars. When quite active, turnover in our interbank market reaches just about thirty-five million dollars in one week. International comparisons apart, the volume of transactions in the interbank market seems thin even by the measure of our normal foreign exchange flows.

There is another aspect of the interbank market which is viewed by some analysts with a bit of misgiving. The spread between the rates at which the banks buy the exporters' foreign currency and sell the same to the customers, such as importers, seems to be getting wider. Importers may have a bit of choice to seek more competitive rates from the banks but the exporters seem more handicapped in this regard. They are tied to their bankers to whom they must sell their foreign currency earnings immediately on receipt, except for a small retention quota of up to ten per cent. In short, the interbank market is getting used to operating in a situation where profitability is assured because of this high spread and risks are minimal as the banks fix rates keeping an eye on the central bank's buying and selling rates, announced in advance.

As authorised dealers in foreign exchange, banks operate in a captive currency market. There is, of course, an informal currency market functioning parallelly. The spread between buying and selling rates is really thin there. However, all open transactions in foreign exchange get routed through the banks. Thus the banks are in a position to earn some extra money, mostly at the expense of users and earners of foreign exchange.

To be sure, banks suffer from certain handicaps also under the existing foreign exchange regime. For instance they are hamstrung by the limitations placed by the central bank on their holdings of foreign currency at home and abroad. Any amount of foreign exchange coming into their possession in excess of the holding limit has to be surrendered to the central bank forthwith. Easing of the limit would offer them a better leeway in managing their portfolios. This might even induce them to reduce the spread between buying and selling rates and offer better service to the customers. Likewise, easing of exporters' holding limits for foreign exchange could improve their prospects of a higher return on their earnings.

The Proposition is: Should the Next General Elections be Held under a Caretaker Government?

THE mainstream opposition political parties could not reconcile with the role they are expected to play in the parliament, especially Awami League, which had announced its intention to form government in 1991. They were so optimistic about forming government that they announced it even before getting the verdict of the people.

Now, there is a big question-mark in the minds of the people regarding political parties that do not show respect to the will and expectations of the people. There are many countries in the world which have a parliamentary form of government. But nowhere in the world have people had elections under a caretaker government until and unless an autocratic government was overthrown by a popular movement such as had happened in the case of Bangladesh in December, 1990.

The people gave their verdict in favour of a particular person or a party in the parliamentary election for running the government for a period of five years as per Constitution of the country. Nobody had any iota of doubt about the fairness and freedom of the 1991 elections.

It is high time that we all behave like a civilized nation and have trust in each other. Even no backward country ever had elections under a caretaker government when an



Oli Ahmed, Bir Bikram, Minister for Communication and Member, Standing Committee, Bangladesh Nationalist Party, argues against the proposition

Interviewed by Chapal Bashar

But nowhere in the world have people had elections under a caretaker government until and unless an autocratic government was overthrown by a popular movement such as had happened in the case of Bangladesh in December, 1990...

We must realise that the answer to our problems lies not in the caretaker government but in improving the existing institutions.

lected government was in power with majority of seats in the parliament. It is not the caretaker government which can ensure free and fair elections. There are many ways to improve conditions for free and fair elections. If we do not believe and trust each other, it will be a shame on all of us in the eye of our posterity.

There are a lot many ways of ensuring free and fair elections such as:

1. Every voter must be pro-

vided with an identity card by the Chief Election Commissioner (CEC) with the voter number and address inscribed on it. A person can only be a voter in one place and for that purpose must have a holding number for a village, town or city. A voter must deposit the identity card to the presiding or polling officer of the area concerned on the day of election. The identity card should

be returned to him three days before the next election.

2. If a man is found to be a voter in more than one place there should be provision in the law for his imprisonment for a period of six months.

3. If anybody can prove that the voter has not attained 18 years of age and yet managed an identity card by furnishing untrue information, there should be a provision in the law for his imprisonment for a period of six months.

4. Nobody, excepting the officials and observers authorised by the Election Commission (EC), should be allowed to stay within the area of a constituency 24 hours before voting if one is not a voter of that area. Anyone violating this should be imprisoned for a period of six months. A provision should be made in the law in this behalf.

5. No mixing should be allowed during any election except between 1 pm and 7 pm for a period of 20 days before the election.

6. A candidate will not have more than one election office or party office in any ward or union of his area.

7. No candidate should be allowed to arrange more than two public meetings in any ward or union of his constituency. Similarly, no candidate ought to be allowed to hold more than two public

meetings centrally in any thana. All types of poster and wall-writing should be banned in the country by law. Voter slips can contain the symbol of the candidates.

8. An agent of a particular polling centre must be a voter from that particular area. There should be a provision for punishment of polling and presiding officers if they were involved in unfair means during the elections.

Besides these, there can be many more ideas to strengthen the office of the Chief Election Commissioner.

We should not mislead the people and create chaos and confusion in the country in the name of caretaker government.

The voters will develop a sense of disrespect for their leaders if we cannot build trust and confidence among ourselves. We should all join hands to develop the institution. We

must realise that the answer to our problems lies not in the caretaker government but in improving the existing institutions.

In 1991, we all became candidates vying for the high position of the member of parliament, and the main function of an MP is to attend the parliament regularly, discuss all the important national issues, find possible solutions to them and give directions to the people and the nation. People have not voted us for boycotting the parliament for any indefinite period. One can walk out, but cannot boycott. It is our moral obligation to the people and the nation to sit in the parliament and participate in its sessions. There is no point here for staying away from it in a huff — we all have the equal opportunity for building the nation. We do that in our respective capacities and the responsibility lies on the party that forms the government to run the administrative of the country.

It is not the responsibility of the government to take anybody to the parliament, it is the responsibility of the individual MP to attend the parliament's sessions.

After Eid holidays we shall resume the debate on Wednesday with Begum Sajeda Chowdhury, MP, Member of Parliament, Bangladesh Awami League arguing in favour of a caretaker government.

MINIMUM wage rules exist in almost all the countries of the world, be it developed or underdeveloped. Defined as a floor level wage rate below which a labour should not be paid, available literature tends to argue that such a rule invokes labour market mal-adjustment and causes, on many occasions, unemployment to rise rather than fall. Applied mostly to the developed countries, this notion of unemployment emanates from the micro economics of labour market: if the price of labour is set above the free market level (i.e. a level at which the labour market is cleared), given an upward sloping supply of and a downward sloping demand curve for labour, an excess supply would soon emerge with higher prices of labour. Assuming the higher wage is not rigidly fixed but allowed to vary with demand and supply, that excess supply might evaporate soon through generating a web of short demand lower price movements. The lower price in the second round, other things being equal, is likely to raise the demand for labour and as such the level of employment. Again an excess demand might develop to exert pressure on the wage rate but the market would give an equilibrium price where the number of employment would be higher than that given by a controlled regime.

Apparently then, by sticking a minimum wage that is sought to protect the ill-fed, ill-clothed existing labour community, a substantial degree of

Minimum Wage and the Labour Market

by Abdul Bayes

damage is done to those who seek jobs even at a lower price than what the incumbents would like to have. Another corollary to this, as placed by the opponents of minimum wage fixation, is that if that wage rigidity is set by the Government sector, private sector tends to be affected by its ripples and demand for labour also goes down in the private sector, especially of the formal or organized ones. In other words, adhering to a minimum wage rule is like cheating the haves and chasing the have-nots!

Why do Wages Stick at Higher Levels?

In the context of developed country unemployment scenario, researchers accused the existence of trade unions and their fights for minimum wage as a major source of discourse. Only 15% of American workers are reported to belong to trade unions compared to 30-40% in many European countries which also have higher jobless rates (of course, France has relatively fewer trade unions but higher jobless rates). The high wage-low employment causality argument runs like this: the monopoly supplier of labour i.e. trade union raises wages above competitive levels and sets it to a monopolistic level where firms hire fewer labour than they would have done in practice. Firms, of course, can hire non unionized

labour but fails to do so because of closed shop attitude of the unions. On the other hand, there is problem on the employers' side also. More often than not, they strongly feel that the insiders are better trained and hiring the outsider would involve more investment on training and thus refrain from recruiting the outsiders. Had not employers thought so, more people waiting outside the factory fence could get into jobs at a lower price.

The Adverse Effects

The minimum wage is alleged to destroy the job prospects, especially, of the younger ones. For example, in France, the minimum wage rose from around 40% of the average wage in the 1970s to 50% by the 1980s causing a jobless rate among aged under 24 or under rise from 4% to 20%. On the other hand almost just the reverse happened in America. Again, those for whom the minimum rule applies could be low productive, aged and rustic and a fixation of wage at higher level might push the per unit cost of production up. Thus two adverse effects of minimum wage is obvious: first, it tends to enhance the jobless rate, especially among the younger ones and secondly, feeding the low productive ones, it appears to raise the per unit cost of production. The analysis should equally be applicable to

the situation of developing countries also.

The Bangladesh Perspective

The Bangladesh labour market, apparently, is dominated by three important features: (i) a large informal sector (employing roughly 90% of labour force) with low wage, low productivity syndrome; (ii) a small formal sector (employing about 10% of the labour force) with higher wage and low productivity syndrome so as to make labour cost uncompetitive even compared to neighboring countries and (iii) a militant segment of the organized labour market i.e. unionized labour, comprising 3% of the total labour force.

The wage-employment relationship existing in developed economies that was depicted earlier does not probably, appear to be smooth and well behaved in Bangladesh. First, the primary consideration in such adjustment is the availability of information and the mobility of labour towards that adjustment which is rarely the case in Bangladesh. Second, the level of industrial development is at a nascent stage with 10% of GDP coming from the industrial structure and therefore absorption of labour in the industrial sector

is negligible. And third, the level of skill and education of labour is also at a pitifully underdeveloped state.

The rate of open unemployment in Bangladesh is reported to be low at 1-2%. Compared to many countries of the world, such a low rate should be a news of complacency in Bangladesh. However, such low rate emerges from the fact that people are engaged mostly in low productive wage work which should be captured by the underemployment rate. Estimates of underemployment indicates an equivalence of 26% open unemployment rate in 1993 and is expected to rise to 31% by 2000. In a country where more than one-fourth of the labour force is openly unemployed, appropriate concerns should be thrown to the development of the labour market via addressing the issue of wage stickiness.

It continues to be argued that the formal sector wage in Bangladesh has been appreciating over the years without a corresponding increase in productivity. This appreciation has most often been led by the public sector which, in course of time, has been followed by those in the private sector. As a result, both private and public sector

enterprises tend to be out of a competitive edge with its adverse impact on further employment in the economy.

Over the decades, the Government's pervasive role in the labour market has been limited, to the declaration of minimum wage, mostly at the pressures of the unions, and very little awareness seems to have developed on the ramifications of such wage increase. Minimum wage is an across-the-board solution that hardly discriminates between a skilled and an unskilled worker. If wage increase is linked to productivity rise, then, the labour himself can discover the utility of investing money on skill development through training. On the other hand, the Government should spend more on human resources development so that a fleet of skilled labour could be available in the labour market to produce commodities at a competitive price.

Excluding labour, the other management costs of the enterprises in Bangladesh also do not appear to conform to productivity criteria. It is being alleged that the unusually high cost of management is often overlooked while speaking only about labour costs. A productivity rise on both counts could make firms, more efficient with higher internal growth rates and surplus. And higher growth rates and more surplus generation is nothing but creating more job opportunities.

OPINION

River Transport Workers' Strike

Your editorial on the 13th of May regarding the river transport workers' strike call was quite a timely one. Your writing on the subject seems to be very much influenced by the pro-worker journalism that had been looming in the coverage of the strike by some other newspapers as well. However, what you have said about the inaction or delayed action of the government and the red tape of the authorities are very true, but then again, that has been the hallmark of our government since independence and definitely is not news to the millions who have come to suffer from the goings on of the various governments we have had.

In order to get a grasp of the overall situation of river transport system, one has first to clearly demark all inland self propelled ships as general cargo vessels and tankers and passenger launches. Though the two types have some common problems but in certain respects the problems and/or solutions are very different. One of the major points in your editorial is the case of overloading of vessels. Overloading and consequent accidents are more likely in case of passenger launches and both the owners and the workers should be held responsible for it. However, a somewhat overloaded cargo vessel poses less of a danger to human life and property than an overloaded passenger launch, because cargo vessels are essentially slow running, travelling at less than 10 km per hour, with 10/15 people on board. Still by overloading his cargo with goods means the owner is chancing his luck. Actually he has no choice in this fledgling state of the industry of inland water transport.

The high price of diesel and the poor condition of the river routes (silt deposition, erosion etc.) are two major problems faced by all self-propelled vessel owners. The industry is also over saturated by cargo vessels, many of which are not suited for plying the rivers. This results in poor collection from freight and leaves the cargo owner with very little money for maintenance of his vessels. As a consequence we have vessels with faulty engines and corroded hulls. This also forces the cargo owner to cut the number of staff and depend on relatively inexperienced sailors. With diesel prices at the pre Gulf War levels the owners will have more money available for maintenance work as well as added welfare for the workers.

The case of the passenger launches is quite different, since every time there is a hike in fuel prices they raise their fare. The passengers, mostly travelling to the southern part of the country, have no choice but to tamely submit to the demand of enhanced fare. The cargo vessel owner, however, has no hope of enhanced freight — there are just too many of them.

A good portion of the revenue for the cargo owner is chopped off during the dry season. The river draft comes to such levels that at least two to three months of the year vessels play at half or three quarters load at the same expense of fuel and overhead. The rivers are lean and are in urgent need of dredging operations. So far the authorities have been very lethargic in this respect. Every winter one would find vessels stuck in the middle of nowhere for days incurring huge losses on the part of the owner.

In the light of all this the river transport workers are demanding greater pay and facilities. Their demands are based on the gazette (Annexes — Branch 10) published and 2nd December '93 by the Ministry of Labour and Manpower. This gazette notification is quite confusing. There is no clear demarcation between the experienced and the raw hand. Incremental provisions are not clearly defined and, above all, there is a preposterous demand for house rent for the workers. The workers are already provided in ship boarding and they are supposed to stay on board whether the vessels are plying or loading cargo or unloading. Every worker is given one month's leave every year with full pay.

It is a general consensus among the owners of inland vessels that the key to the stalemate is with the government. The government must have more specific rulings in matters of inland vessels. A generalized approach makes a has of the efforts of all parties involved. So before making a ruling by means of a gazette the government should consult all parties and discuss various practical problems in the implementation of any such rulings. There should be a strict control on new additions to the water transport industry, workers should be really made to work hard to get a certificate, the price of diesel should be rationalized and the river routes should be kept at satisfactory plying conditions. If the government takes positive steps to right the wrong of this industry, the owners and the workers can settle their differences in no time.

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To the Editor...

Richard Milhous
Nixon

Sir, As I see rather lavishly editorials, post editorials, and other write-ups in different papers including your esteemed one, about Richard Milhous Nixon era, I feel a bit surprised and also shocked in many ways. Definitely we are to be humane and eulogise his acts and deeds which he had performed as a statesman for the cause of peace and prosperity but in the Bangladesh perspective, he was totally a different statesman and that could receive coverage in other way round. Unfortunately, that was lacking and most attempts seemed to make us a forgetful nation although not wholly.

Vividly, we remember 1971. The year 1971 was not only the year of simply liberation war but dealt with the question of our existence and sovereignty and independent entity. The role, at the crucial time, Nixon and his foreign secretary Henry Kissinger had played in collaboration with Pakistani military junta by sending 7th fleet in the Bay of Bengal was a dangerous intimidation for us and, simultaneously, encouragement for the military junta and its associates namely Al-Badar and Rajakars. Had the victory been delayed by one or two weeks more, we, the little bit educated younger generation then below 30, would have been definitely finished by that time.

After 1975, all successive governments flatly gave blame to Sheikh Mujib government for 1974 famine but hardly asked their conscience whether he was solely responsible or national and international conspiracy were there

against our sovereign and secular entity. One thing is historically correct and true on record that those countries which had never supported our liberation, hardly came up with recognition and financial assistance particularly to a war ravaged country like Bangladesh, till the end of 1975. So far I remember, Nixon administration took back the vessels containing foodgrains in 1974 from outer anchorage of Chittagong on the pretext of Sheikh Mujib government's exporting jute to Cuba. And that had tremendously aggravated the famine condition in 1974.

Sorry to state, many of us have forgotten Nixon's cruelty to the suffering millions. However, excepting Nixon and a few others, rest in the administration along with other citizens of America, in different ways, encouraged and provided us assistance that we wholeheartedly remember with gratitude. We want to see that our enlightened class not extending so much latitude to any one, whoever he might be that may distort our history which is our national conviction in exchange of our blood.

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No-holds-barred language

Sir, The other morning while coming to office, I encountered a very common nuisance. As a rushing bus almost pushed the rickshaw I was riding in, it hit the rickshaw next to it. In an electronic speed, and with versatility, the other puller uttered all filthy

four-lettered words he knew, initiating thereby a brawl. Being an embarrassed audience, I advised both to shut up and pull on but it was not very much effective as they continued to hurl those words to each other until they parted to different roads.

I am sure that almost everybody living in the capital city more than once came across such bitter situation. The rickshaw pullers, the taxi drivers, the truck-helpers and the bus-conductors are habituated to utter all sorts of dirty words accompanied by uncouth gestures. These antics are purposefully well-demonstrated in the presence of ladies. Unpleasantly, often, a brother and a sister, a mother and a son, a father and a daughter riding in the same vehicle are subjected to this humiliation.

Definitely, a society is better known by the language it uses. Bangla is a very rich and prestigious language and we are proud to be Bengalees. The international community also has esteem for the same. Notably, many valiant and worthy sons of the soil have laid their lives in defence of our mother tongue. In such a backdrop, it is painful to note that the distorted language punctuated by dirty and filthy words are randomly used.

May we request the concerned authority to save the citizens from the abusive and crude languages. A well-planned propaganda/publication/awareness drive will, it is believed, in course of time, help us build a clean society without subjugation to raw and crude repulsive four-lettered words.

John Arun Sarkar
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