Founder-Editor: Late S. M. Ali

Dhaka, Saturday, March 18, 1995

SKOP's Strike Call There is something new in the latest 48-hour strike call, on 4-5 April, by the federation of 18 trade unions, known as SKOP. In the press conference on Thursday, the labour leaders have said that they hoped the problems would be resolved through a dialogue, averting the strike. Usually mass organisations in our country speak more in terms of threats, and less in terms of negotiations. The new thing here is that they have given a threat to strike, but along with it, there is also the invitation for talks and the expressed hope that the problems would be resolved before the strike action is actually implemented. We welcome this attitude and suggest that the government should start the dialogue immediately.

We have commented earlier that this government has the habit of waiting till the very last moment before it starts any negotiating process. This tactics, if it can at all be called as such, creates the impression that it is not the justness of the demand, but the pressure that the demanding organisation can bring to bear upon the government, which ultimately clinches an issue. This gives rise to a kind of destructive brinkmanship, *leading to unnecessary militancy and uncompromising attitude that ultimately benefits neither the workers nor the government.

April 4-5 is not too far away. But on the other hand, it is not next week either. If there is a will, we think, there is sufficient time to resolve the issues. The strongest point in favour of SKOP is that it is asking the government to implement agreements made earlier. As we had stated in our earlier editorials on the subject, a government must honour its obligations — unless there are overwhelming reasons not to. In such a case government must come out in public with the reasons why it is stepping back. This is necessary for its credibility. We ask the authorities not to waste any further time, and start a serious dialogue with SKOP.

Opinion Polls by BUP

Bangladesh Unnayan Parishad (BUP), a leading think-tank in the country, made public a recent opinion poll conducted under its auspices. The survey gives some interesting indications of what is going on in the public mind. The poll was conducted during the month of January and February last among 1,862 respondents, drawn from voting age groups, consisting of 28 urban and 72 per cent rural samples. The poll revealed that 41 per cent held the ruling party responsible for the present political crisis, as against 25 per cent blaming the Opposition. However, 59 per cent considered improper the opposition's resignation from the parliament. Reflecting a view that we have expressed many times, 52.9 per cent respondents felt that Begum Zia and Sheikh Hasina should have met and tried to find a solution to the problems. There was a resounding rebuff for the government in the polls for its conduct of the state run electronic media. In what can be termed as the strongest possible condemnation under the circumstances, a large majority of the respondents found no difference between the previous autocratic regime and that of Begum Zia's government in the use of radio and TV for partisan propaganda. This is also another view that we have been expressing in our columns.

The BUP poll is worthy of notice for several reasons. First, the total number of respondents is quite high. Second, the fact that 72 per cent of those whose opinions were sought belonged to our villages makes the poll quite unique, and representative. Finally, the poll results are as recent as one can get. All these factors, plus the reputation of BUP as a rigorous research body makes for the poll to be one that should be seriously considered by all those who are interested to learn about public mind. We in this paper welcome this initiative by BUP, and others, who are starting to introduce the culture of opinion polls in our country. We think it to be of immense importance for institutionalisation of democracy, and for the public to play a more effective role in the day-to-day affairs of the state, government and politics in general.

Where are the Coins Going?

Prices are on a devastating march. With no sign of stopping anywhere at any time. Rice has climbed one hundred per cent in less than ten years. Eid is now well past, still meat has gone up by 20 taka for a kg over the Eid rate. As with fertiliser, there are one or two big factors, manipulative rather than market-force ones, which are doing the propelling. But there are myriad other smaller causes contributing to the artificial price boom. Scarcity of one-taka denomination legal tender may also have had some role in the matter, however small. The one-taka notes seem simply to have vanished. Good riddance, for each piece carried a dirt dump and some trillion germs, some may indeed feel.

That was no vanishing trick. Government is phasing this note out and replacing it with the one-taka coin. Where are then these coins? They are a very rare sight, if at all. In the absence of both the note and the coin — the smallest legal tender, for all practical purposes, has risen to Tk 2. Coins smaller than one-taka value were long out of use, only adolescent girls were wont to hoard them for telephoning on the sly from coin-boxes. Nothing in Bangladesh were evidently to be had for less than a taka. Now it is Tk 2.

A report from Jhenidah, published in Thursday's Daily Star gives a clue to where the coins are going. At Benapole and Khalishpur-Jhenidah and Darshana in Chuadanga the one-taka coin is selling for up to 1.30 taka. The coins are travelling across the border and coming back transformed into jewellery having an eager market in Bangladesh.

This is hard to believe as modern banking practice makes it sure that coins do not have their metal value get anywhere near their legal face value, precisely to discourage melting these for others purposes. Perhaps some error has crept into Bangladesh Bank's minting calculations. If the report is true urgent measures would be needed not to issue these coins anymore and replace these with a new one that would not accrue profit as a metal.

Frightful Fire in Fertiliser Market reports of the last few weeks, one can, perhaps Beneath the Surface

guess the havor that the re-

cent fertiliser crisis seemingly

gave rise to. Fertiliser shortage

in different parts of the

country is reported to have

hiked the price from Tk 230 a

bag (Tk 4.60/kg) to Tk 400-

500 a bag (Tk 8.0-Tk 10.0/kg).

This implies a rise in prices of

fertiliser by 75-117 per cent

or, on average, an increase of

96 per cent over the "should

be" price of Tk 230 (the GoB

fixed maximum price). During

the boro season, farmers usu-

ally face problems with fer-

tiliser availability and over the

years they have, at the same

time, also learnt to live with

the crisis simply by paying

higher price as the dealers

want or by curtailing the quan

Heart Breaking, Record

Making

price of this vital input for ir-

rigation-led boro crops, by

whatever margin it may be.

should upset the calculus per-

taining to net returns to farm-

ers. Total fertiliser cost ac

counts for about one-third of

the total cost of production of

HYV boro/acre. For the small

and marginal farmers who eke

out a living by producing boro

crop and who are reported to

use fertilisers with more in-

tensity than large and medium

farmers, a price hike would

mean much more than a mere

common sense would justify.

So a rise in price by even 20-

30 per cent (not to speak of

90 per cent or so) would break

their hearts. But as said ear-

lier, from theoretical point of

view, the demand for fertiliser

is an inelastic demand when

the percentage reduction in

quantity demanded is less than

cry over this year's crisis? It is. perhaps, for three main rea-

sons that this year's crisis

crossed all-time devastations

First, the leap in the price of

fertiliser was too high to keep

us frivolous, even if we wanted

to be. Second, this year's crisis

appears to show when a

"surplus" is not a surplus but

is, in fact, a 'deficit'. To elabo-

rate the point a little bit, ih

the past few years, a fertiliser

crisis mostly meant crisis re-

to hit newspaper headlines.

But why is so much hue and

the percentage rise in price.

Quite obviously, a rise in the

tity as they tend to demand.

by Abdul Bayes



lating to the availability of TSPs or MPs which are largely import determined — and hence dependent on the vagaries of the international market and on the "whims" of the importers. This year, the crisis relates to Urea fertiliser accounting for 65-75% of total fertilisers demanded in which Bangladesh is self-sufficient in production and is also an exporter at times. It remained to be seen how a surplus situation, when price should normally fall, could give rise to an otherwise situation, if the importance of the distributional parameter is completely ignored. The crisis sprang solely from faulty distribution system than from any shortage in production. Third, the crisis brought every one on his heel not only for the astounding level of 'price hike' but also for the kind of response such shortages bred in some parts of the country. It is for the first time in the history of Bangladesh that desperate users of fertiliser are reported to have blocked vehicles carrying fertiliser and looted them in some of the places. And topping it, there also has been

When 'Fence Grabs the Crops"

and the monopolistic traders

police firing, causing casualty.

If newspaper reports are taken for granted, then the faulty distribution mechanism should be adduced to the crisis. Whether that has to do with the whole privatisation of fertiliser distribution is; perhaps, difficult to establish because a crists of this year's order could never be in evidence during the last few years or so. For example, during the same period last year, the price range was Tk 220-Tk 255. From what newspapers said it appears that it is the "politicisation"privatisation and corruption among officials, and traders that could be held responsible for the rots under public control also there could be politicisation and corrup-

tion. It is reported that many

Strong Taka

Sir. This is in response to the letter titled "Strong Taka" by Mr Ekram Belal, an expatriate Bangladeshi in New York, published on February 20, 1995.

This is a case where comments have been made and conclusions arrived at on hard economic facts of life and harsh realities of Bangladesh without knowing or understanding the underlying causes of it. Also, the prices of a few items or commodities cannot give any indication of what would be the proper value of Taka against other currencies.

In my view Taka is not only not overvalued but slightly undervalued because of favourable balance of payment in the last few years : result of low domestic demand and buying power of consumers. Also, there has been steady increase of foreign currency reserve. presently at about 4 billion US dollar — over 3 billion dollar in Bangladesh Bank account and nearly 1 billion dollar stashed away in mattresses and such other places because of lack of trust, poor service, inefficiency and corruption in the NCBs. It should be remembered hardly any of the remittances that come through the hundi system ever finds its way in any bank account.

The fact is much of the textile goods of Indian or Pakistani origin are cheaper in the world market because both these countries are major producers of cotton and also they do most of their own processing - spinning, weaving and finishing. They also manufacture their own textile machinery and chemicals like dyes, starch etc.

In contrast, Bangladesh not only has to import raw cotton or yarn but also the machinery and chemicals. Moreover, set ting up of an industry here is not an easy task as this can be done only after greasing the palms or lining the pockets of officials concerned of the administration, banks and regulatory bodies. Sometimes this is not enough. Gifts of gold and precious stones to the wives (the universal bhavi) will pave the way. Needless to say all these add to the cost of production and price.

One should also add to these the working or productive hours lost due to hartals, labour strife, power outage. high cost of utility services and numerous and unending national and religious holidays. It is a wonder anything is manufactured in this country at all.

Much is made out about the success of the garment industry which earns about 2 billion US dollar annually. In reality, Bangladesh earns only about 15 to 20 per cent of the amount as 80 per cent of the earnings

go for paying of the inputs which are all imported. Unfortunately, this vitally important industrial sector is controlled by Indian and Chinese businessmen based in Hong Kong or Singapore. Bangladeshis do not have the contacts, know-how or capital to get in the marketing aspect of the business where the lion's share of the profit lies.

The only solid and substantial income Bangladesh has is from the export of manpower. Even the garment industry income could be substantially in creased by improving the skill. education and quality of human resources. This has been the key to the success of all the economically developed Asian

Bangladesh is an importoriented country and even imports basic necessities like rice, pulses, onions, cattle etc. not to speak of all the inputs of most industries. Any arbitrary devaluation of currency will further lower the buying power of the average consumer and drive them to desperation and social unrest

Naz Shafinaz 6 Motifheel C/A. Dhaka

Zhirinovsky's effrontery

Sir. It appears that after the humiliation in Afghanistan, collapse of the giant USSR and the on-going encounter with the brave Chechens some, of the Moscow's leaders have lost their senses and they have started babbling in a vain and foolish fashion.

It is pity and shocking to watch Russian leader of the Opposition Vladimir Zhirinovsky disgorging venomous utterances that "Russian soldiers will one day wash their shoes in the Indian Ocean" and also telling some leaders in New Delhi that "India should effectively annex Pakistan and Bangladesh".

Have the 30 lakh Bangladeshis sacrificed their lives to be annexed with India? Has Moscow supported our war of independence in 1971 to become a part of India?

We wonder how a man like Zhirinovsky can think about becoming the future President of Russia?

We strongly demand an unconditional apology from the Russian leader of the Opposition for his most objectionable and audacious remark against our independence and, as such, diplomatic action may be taken by our Ministry of Foreign Affairs with the government of Russia.

O H Kabir Dhaka-1203

TNOs or DCs with whom the responsibility was ultimately placed allegedly failed to rise above political line and deliver fertilisers to the needy pock ets of shortage. The frightful mistake that our policy makers are making we suppose, is that they completely withdrew themselves from any concern with fertiliser and left the fate of farmers decided by the "animal spirit" of capitalism. As we know, the market for fertiliser has never been even near to a competitive one. The government is the lone supplier of this product where a handful of "monopolistic" dealers are chasing too much fertiliser Any lapse in the chain between the "monopolist" government

newcomers in this business

whose tie with the party in

power is well-known. Even the

The "unscrupulous" traders could understand that this year's demand for fertiliser ought to be very high since the recent drought in northern zones would forced farmers to

could blow up the normal

trading practices. That, per-

haps, happened this time. And

in between the two, the farm-

ers with their inelastic de-

mand for fertiliser got seri-

ously chopped.

compensate through boro out put. And second, for the last two years, the acreage under boro fell (possibly due to the 1992 'dip' in rice price) and it is the time this year that farmers might warm up to grow more boro paddy. The traders' forecast seemed to hold good and the crisis deepened.

Therefore, privatisation of this most sensitive agricultural input should not have been left entirely to the whims of the dealers. Instead proper monitoring of the distribution should have acquired prominence in policy actions.

The government should, we think, hold a high powered enquiry committee (preferably headed by any judge) to ferret out the root cause of the crisis. At the same time, stern actions against those who lifted fertilisers but hoarded them or against those who used party's name (may be the party is innocent) to trade fertiliser. An enquiry commission is needed to reject the hypothesis that the partymen were not responsible for all crisis. People may be interested to know who the culprits are and, perhaps, more so to know what happened to the culprits.

The above suggestion is for

the sake of a healthy and meaningful "privatisation" that the present regime vows to uphold. The basic premise behind the success of privatisation is proper duty as it is the proper property rights. A government which claims to be the custodian of privatisation should see that the prices are right everywhere. After all, the fence of the field should not grab the crops therein.

Looking Back at March towards Independence

March 18, 1971

In his statement the Awami League chief Sheikh Mujibur Rahman said: "I regret that the Commission of Inquiry" which has been announced, on the face of it cannot satisfy the demand voiced by me on behalf of the people of Bangladesh. Its very institution by a Martial Law Order and the provision for submission of its report to the Martial Law authority are highly objectionable. The terms of reference themselves betray the intention of pre-judging the most fundamental issue and to shut out inquiry into the real issues.

The only term of reference is: "To go into the circumstances which led to the calling of the Army in aid of civil power in various parts of East Pakistan between March 2 and March 9". The fundamental issue is thus pre-judged, since what has to be inquired into is whether the deployment and use of force was in aid of ulterior political purposes and not at all in aid of civil power. The 'commission' is further shut out from inquiring into the actual atrocities, which have been reported from various parts of Bangladesh, involving thousands of casualties. Thus, even the number of casualties and the circumstances in which unarmed civilians were shot down cannot be enquired into.

"Such a commission can serve no useful purpose. Indeed such an inquiry would not at all be genuine inquiry aimed at arriving at the truth, but would be a mere device to mislead the people

"We cannot, therefore, accept' such a 'commission'. The people of Bangladesh shall not co-operate with such commission, nor serve as its members.

On behalf of the people we had made four-point demand on the 7th of March, 1971, one of those demands was that for fair, impartial and public inquiry with proper terms of reference. The nominal and piecemeal acceptance of one of those points and that too in the manner described above. cannot contribute to the solution of the grave crisis that faces

Meapwhile. Sheikh Mujib had sent Capt. Mansur Ali, leader of Parliamentary party in the East Pakistan Assembly. Khandaker Mushtaque Ahmed, Vice-President, East Pakistan Awami League and Mr Abidur Reza Khan, MNA-elect to Chitlagong to make an on the spot enquiry into the recent firings and other incidents

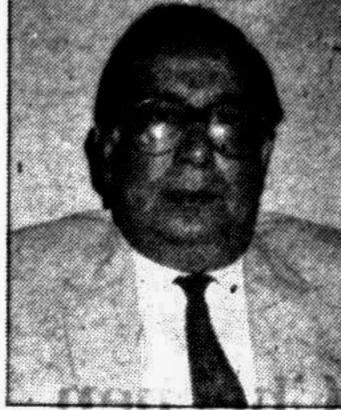
They were to assess the situation and report accordingly. It may be mentioned that Maulana Bhashani had also sent him a telegram to this effect.

(Compiled by Aasha Meherin Amin)

Untying the Gordian Knot of Our Politics

A SERIES OF INTERVIEWS AND ARTICLES ON THE CURRENT POLITICAL CRISIS

'It's a Crisis of Confidence, Basically' Faruq Choudhury, a retired diplomat, has served as Foreign Secretary and



The Daily Star (DS): What, according to you, are reasons for the present political stalemate? What is the way out? Please elaborate your personal views on what should be the

next step? Faruq Choudhury (FC) Soon after the birth of Bangladesh the democratic process in the country was interrupted and since then democracy has not had a smooth sailing. The autocratic government of president Ershad dealt a severe blow to the growth of democracy in this country, when manipulated elections became vehicle for the perpetuation of the dictatorial regime. Things came to such a pass that one thought one would never experience free and fair elections in one's lifetime in this country. Happily for us that was not to be. The people of this country. hounded the dictator out and the caretaker government of Justice Shahabuddin Ahmed who played a great role at a critical juncture of our history, ensured free elections and unhindered voting. During the anti Ershad movement both the Prime Minister and the Leader of the Opposition jointly and individually played a role that was appreciated not only by the people of Bangladesh but also by lovers of

democracy all over the world. I think in the euphoria of having held a free and fair election, we forgot that the holding of such elections have not truthfully been a part of our democratic tradition. We should have therefore, I feel, albeit with the benefit of the hindsight, that at that time, we should have constitutionally ensured the holding of elections under neutral caretaker governments, atleast for a few more general elections.

The present crisis is basically a crisis of confidence. Experience in this country of the bye-elections has been far from happy and here also there is no point in blaming one party or another.

We should correct the situation so that such deeds are not repeated ever in the future. The basis of democracy is free and fair elections and this should not, therefore, be left to chances. The present impasse in the country is a political one and I think both the Prime Minister and the leader of the opposition have a historic role to play here just as they had at the time of Ershad's ouster - a role that both of them played so admirably well.

I think we have already wasted a lot of time, even by involving foreigners in our domestic matters. A foreigner, however, well-meaning he may

be is quite irrelevant to the resolution of domestic disputes in this country. The question is not the finding of an appropriate formula, the question is of bridging the credibility gap so that there is

a meeting of the minds.

The next step to be taken is a crucial one. It should be well-thought-out and constructive. The Prime Minister has indicated that if necessary she would negotiate with the Leader of the opposition. The necessity is now apparent. So she herself and the Leader of the opposition of a small number of people nominated but fully authorized by them should immediately meet with the support of an agreed upon amicus curie to discuss and finalize the method, time and the organization of holding the next general elections. The Prime Minister has already said that she would quit a month prior to the elections. The Leader of the opposition has held that she would accept the President as the head of a non political caretaker government. So the constitution of a such a government could be discussed and finalized and if need be, the agreement could be made a part of the amended constitution for future adherence. This should be in the interest of all political

Democratic traditions do not grow in a day. We must give those time. We have to make the right efforts. The present situation calls for the combined wisdom of both the Prime Minister and the Leader of the opposition.

DS: Everybody is talking about election, but when should it be held, within the next few month, or later in the year, or at its schedule time, early next year? Suggest measures to be taken for timing of your choice.

FC: Elections, of course, have to be held within the time frame provided for by the constitution. But then, elections can be held much before the expiry of this period. should the Prime Minister find that it will be in the long term interest of democracy in this country. If there is no other way of infusing life in this moribund parliament, the best way, of course, will be to hold free and fair elections, as early

DS: How to ensure an independent Election Commission? What are the pros and cons of the EC Bill passed?

as possible.

FC: I am not an expert on such matters but as a citizen I feel that the Election commission in this country has not exercised its power in the manner it should have. I think our constitution and the recent enactment provide enough authority to the Election Commission, to ask the government to create conditions for the holding of free and fair elections. For instance, I have seen both the Election Commissioners in India and Sri Lanka in action from very close quarters. I

happen to know both of them well. I have the greatest admiration for both of them for the manner in which they not only remain neutral but also ensure that neutrality is strictly adhered to by all concerned. I believe our constitution provides an willing and able Election Commissioner to exercise power effectively particularly if there is political will on all

as Bangladesh's High Commissioner to India. A popular and widely read

columnist, in Bengali, he is an Adviser of BRAC, a Bangladeshi NGO. The

following are his responses to The Daily Star questionnaire:

However, if an important political party suggests further strengthening of the Commission, there should be no hesitation in accommodating its ideas for after all it will be in the interest of strengthening democratic practices in Bangladesh.

DS: How to formulate a code of conduct for the political parties to hold elections? How to ensure the implemen-

tation of such a code? FC: An effective Election Commissioner empowered by the political will of the major political parties can, of course, formulate a code of conduct for the holding of free and fair elections. The Election Commission should promptly identify anyone or any group violating an agreed upon code of conduct and if it is done by an Election Commission under a neutral caretaker government, I believe the people of this country will accept the verdict of the Election Commission without any reservation. Violation of code could result in cancellation or annulment of election. Trying to exert undue influence and intimidating public servants and election officials should be made cognizable by the Election Com-

mission. DS: What are your views on the need for computerized voters' list and identity cards? Can we ensure fair election without them? If we want them, then what should be the time frame for elections?

FC: That we could hold fair elections without computerized voters list and identify cards was amply proved in the last general elections. Howeyer, situation and public awareness may not be the same every time. Introduction of these innovative methods. though costly, would definitely contribute towards the holding of fair elections. Technical experts can better say if the innovative methods could be introduced before dates fixed for the next general elections. But elections need not be delayed for this.

DS: We hear a lot about black money being a factor in the election. What are your suggestions to make election funding transparent and accountable?

FC: The Election Commission should frame definite rules regarding election expenditure. Defaulters and their immediate family members should be debarred.

A ceiling for expenditure should be set, say at Takas three lacs or so. Publicity with multi colored posters, across the road banners, arches, and

lavish entertainment etc should be forbidden.

DS: What are your views on the mechanism under which the next election should be held? What about constitutional amendments?

FC: We should have a strong pendent Election Commission

civil bureaucracy and an indeacting under a non-partisan government. Holding of smooth, impar-

tial and fair elections not only

depend on an objective policy

making level, and an independent effective Election Commission, but also, and very importantly at that, on functioning of strong non-partisan civil bureaucracy. The permanent functionarise of the government should be in a position to act without fear or favor, as true servants of the Republic. They should be in a position to generate confidence in the minds of the people - the electorate, the voters. Transfer of officers on political considerations, rewarding public servants for partisan activities and utilizing government servants for party or political purposes should not only be strictly prohibited but should be brought under the preview of the consideration and judgement of the Election Commission all the time. In any functioning democracy, the role of the public servant is always politically above board. There have been cases in UK when permanent secretaries have refused offers of knighthood on consideration that there may be looked upon as acteptance of favor from the party in power. In India participation in any form of a public servant in political activities which include organization of meetings and welcome ceremonies for political leaders holding government office is prohibited. The principal political parties will have to ensure that the public servants act with confi-

DS: Do you think that there should be some sort of political understanding between the ruling party and the Opposition to ensure a free and fair election? Is such an understanding possible? If yes, then what should be the next step? If not, why not?

FC: There should not only

dence and objectivity under

the protection of the law of the

be understanding among the principal political parties but there should also be a clear understanding and correct appraisal of the evolving situation, If the opposition continues with its programme of hartal, bandh and gherao and the party in power continues its governance till the constitutionally stipulated period, the stalemate will not only continue but may well lead to disastrous consequences. Bangladesh may then subject itself to unacceptable interventions both from home and abroad. We must look around and learn from contemporary experiences. Let us not turn into a Somalia. The people of this country do deserve better