

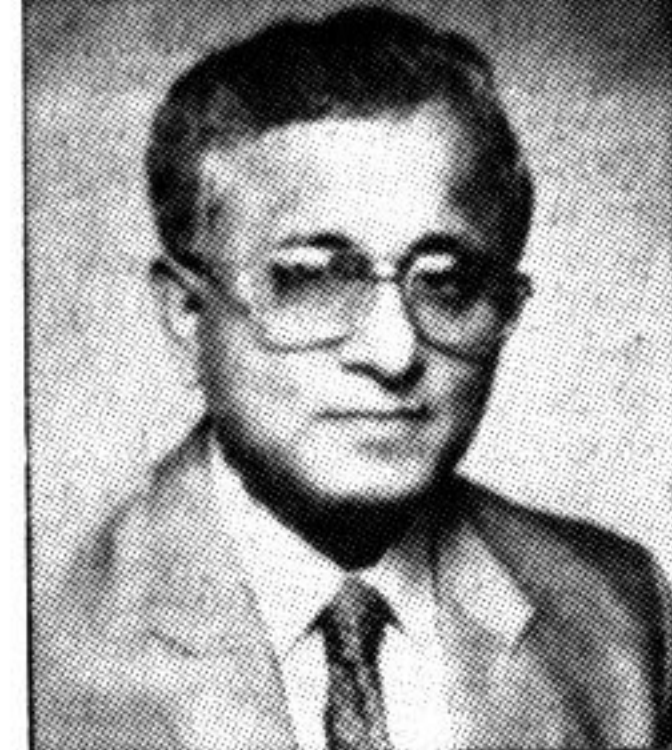
FOCUS

1995-96 Budget, Political Economy and Party Polemics

by M Syeduzzaman

AFTER listening to the Budget Speech of the Finance Minister, a friend of mine gave a sigh of relief. 'It could have been much worse.'

price index increased by 3.6% against the general price index rise of 2.8%. In the first quarter of calendar year 1995, general price index increased by 6.2% over the same period of the previous year, whereas the index for the rural areas rose by 7.4%.



M Syeduzzaman

Recent reports about the situation in the Chittagong Port are disturbing. Moreover, the Finance Minister seems to have assumed that everything is fine with the distribution system of inputs.

Low income and poor consumer constitute about 80% of all consumers. High income, upper income, middle class and lower middle class consumers constitute the other 20%.

We all know that economics and politics are intimately linked. We all know that there is a thing called political economy. But political economy is not mixed up or confused with party politics.

I have studied with great care all the budgets presented by Mr Saifur Rahman — the first two during his earlier term, and the five budgets of his present term. I had the privilege of being associated with almost all the budgets of Bangladesh since 1973-74 until I left the Government a few years back.

sure adopted by the Government were carefully analysed and established. This is totally absent in the budget for 1995-96. Perhaps not. Only on one issue, tax holiday, the Minister gave sound arguments why the tax holiday period should not be extended.

If the projected revenues loss cannot be made up as expected, government may have to go for borrowings. If the optimistic projection of inflow of foreign resources falls short of the target, and if the size of the ADP has to be maintained for political purposes, deficit financing will be unavoidable.

reasons. The issue is relevant from the consumers point of view. If we look at the tax structure, it appears that at present almost 85% of our tax revenue comes from indirect taxes.

They depend on the vulnerable group development programme, the food for work programme and other relief assistance. Looking at the allocation for these items over the past years, it appears that their total share has gone down noticeably in recent years.

The performance of the public sector corporations is closely linked with the welfare of consumers. The Finance Minister in his budget speech has expressed his dissatisfaction, anger and disappointment about the performance of these corporations more than once.

and second person was Mr Saifur Rahman during his past tenure. In between and after that, we had Finance Ministers who were respected personalities like an educationist and professor of history (Dr. A R Mallik), a reputed professor of economics and political personality (Dr. M N Huda), a technocrat with engineering background (Dr. F U Mahtab), a politically oriented bureaucrat (Mr. M A Muhith), an apolitical technocrat (the present writer), a Major-General (General M A Munim), an internationally reputed Bangladeshi economist holding a foreign passport (Dr. Wahidul Huq), and at times Chief Martial Law Administrators and President (General Ziaur Rahman and General Ershad).

From my long periods in the Finance Department of then East Pakistan, in the Ministry of Finance, Government of the then Pakistan, and in the Ministries of Finance (and Planning) in Bangladesh, I perceive three reasons for this. The first is the thinking, attitude, and judgement of the Head of the Government, whether a President or a Prime Minister.

Minister is therefore expected to maintain a balance in the midst of all these pressures, and to present a budget which is non-partisan, reflects professionalism, and is in the best interest of the overall economy.

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politics, as if to score points over political opponents, I feel strongly that this has to be avoided by all Finance Ministers. Unless this tendency is resisted, it may become a pattern and a trend may be set for the future, which will not be in the interest of the society as a whole.

In his budget speech the Finance Minister has not discussed the most recent monetary indicators which are relevant for the projection of 4% rate of inflation during the year.

tries. Then came the high oil shock. In most OECD countries, not to speak of developing countries, the professionals and politicians were grappling with rapidly changing situations to keep the economies under control.

CONSTITUTIONAL CRISIS In Search of a Way Out

'Solution is Possible without Amending the Constitution'

An Interview with Barrister K S Nabi, Law Secretary of Bangladesh Awami League, by Chapal Bashar



BARRISTER K S Nabi, Law Secretary of Bangladesh Awami League, believes that scope still exists to solve the ongoing political crisis without amending the Constitution.

'Solution of the problem through the provisions of the existing Constitution is possible, if the ruling party wants it,' said Barrister Nabi in an interview with The Daily Star.

The AL leader held the ruling BNP responsible for the political impasse saying, 'The government itself created the Constitutional crisis and now is trying to derive benefit from it.'

He alleged that after the resignation of 147 members of parliament, the BNP had not been running the country according to constitution.

The BNP is in government while the House is half-empty, the parliament is devoid of the power to amend the Constitution, he said pointing out that according to requirement under Article 142, the parliament itself cannot exist for not having such power.

The legal adviser to the AL also referred to Articles 65(2), 52 and 83 of the Constitution and said, 'Considering provisions under these Articles, it can be clearly stated that the Constitution has been violated by keeping this half-empty and one-party parliament alive.'

He maintained that BNP could dissolve the parliament long before the submission of resignation letters by Opposition MPs on December 28 last and could come forward for holding fresh elections through an understanding with the Opposition.

Nabi mentioned about British Prime Minister John Major's decision for having a fresh mandate from his party and the mid-term election in Nepal saying, 'These are the bright examples how parliamentary democracy functions without creating any crisis.'

Dismissing ruling party's contention that they cannot go beyond constitution, Nabi said, 'It appears that the BNP is the only custodian of the Constitution in preference to the opposition parties who represent 69 per cent of the population. We also bear responsibility to safeguard the Constitution and we are very much aware of that.'

Nabi termed ruling party's statements on this point as self-contradictory and said, 'BNP leaders claim that they are running the country under the Constitution. But, on the other hand, they say that amendment to the Constitution is only possible with the participation of the opposition MPs who resigned long ago. Such statements only reflect their ignorance of the Constitution and it will not be unfair if we say that they just want to cling to power.'

As regards possible solution of the present Constitutional crisis, he said 'solution is possible under this Constitution.' Elaborating his point, Nabi said, 'A caretaker government for holding elections, as suggested by all the major political parties, can be formed without amending the Constitution.'

In support of his contentions, Nabi suggested that the Prime Minister may advise the President to dis-

solve the parliament and the President can do it according to the provision of Article 72 of the Constitution. Then the very basis of the Cabinet headed by Begum Khaleda Zia remains no more as she will be no longer a member of the parliament while the President will be free to choose any person to head the caretaker administration until the next election which must be held within 90 days of dissolution of parliament according to Article 123(3).

'After such dissolution of the parliament, the President is not constitutionally obliged to invite any person commanding support of the majority in the House as there will be no existence of parliament from which such majority is to be ascertained,' Nabi argued and said, 'even Article 56(4) will not obligate the President to request the present Cabinet to carry on as a caretaker government until the next polls.'

'In other words,' Nabi said, 'once a parliament is dissolved, the very source of present government's existence ceases to be there and in such a situation the President can form a neutral caretaker government on the basis of wishes, suggestions, and nominations from all political parties of Bangladesh including the BNP. Therefore, no amendment will be necessary.'

Nabi also supported the idea from certain quarters which suggests formation of a caretaker government with the persons who will be elected members of parliament through by-elections. 'The idea is not bad — equal number of members from the ruling party and the Opposition may be nominated and elected in the by-elections on the basis of consensus of both sides and these people will form the caretaker government and run the administration until the general election is completed.'

According to Nabi, the concept of a caretaker government exists in the Constitution since the aim and objective of the Constitution is to ensure democracy which is stated in the Preamble and in Article 8.

'Solution under this Constitution is possible if there is will and good intentions,' he repeated.

The AL Law Secretary observed that post-facto ratification of any amendment to the constitution is possible to meet a necessity arising out of grave national crisis and the last precedent in this regard was the 11th amendment to the Constitution which validates the existence of the present government.

Replying a question, Barrister Nabi discounted the apprehension that any arrangement relating to Constitutional amendment with retrospective effect may be challenged in the Supreme Court. He maintained that if the major political parties reach an agreement on the issue of holding elections under a caretaker government, then it will be considered as a national consensus. Nabi expressed the hope that the highest seat of Judiciary will act accordingly in exercising its paramount power conferred upon it under Article 104 of the Constitution.

Is Nuclear Power the Answer to Bangladesh's Energy Crisis?

by Aasha Mehreen Amin

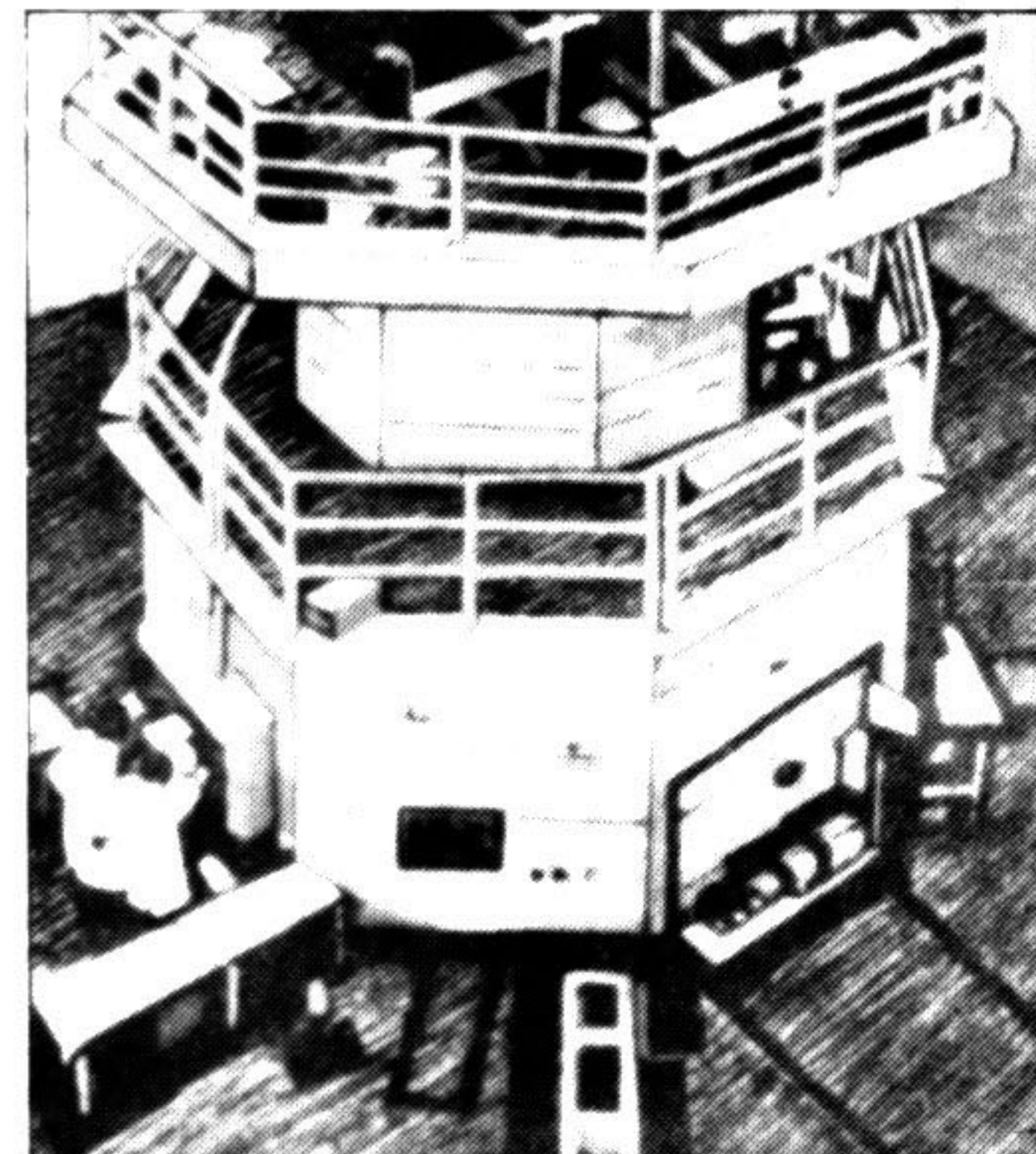
AFTER more than three decades, talks of possible revival of a nuclear power plant in Bangladesh abandoned due to lack of financial backing, has made front page news in several dailies recently. The 550 MW nuclear reactor at the Rooppur Nuclear Power Plant (ENPP) in Pabna has been the subject of many negotiations, with several countries including Russia and Canada showing a keen interest to finance the project.

Studies (BCAS) and a noted environmentalist says that there are no such guarantees. For a country as densely populated and situated in a seismically active zone (prone to earth quakes), a nuclear plant is not a good idea, he says. Then there is the question of nuclear waste disposal that has remained unresolved — where are we going to dispose of the waste and if it is somewhere far away from the plant, say Chittagong, how can we guarantee the safe transport of such hazardous waste?

Operating the plant, he continues, requires a high level of sophisticated skills that are very different from those needed for ordinary power generation and so this must be ensured. There will also be a lot of extra nuclear waste with low level radio activity from the special clothes, gloves etc worn by the operators. 'So the plant will generate a large amount of radioactive waste which Bangladesh will be stuck with,' says Huq.

There is also the issue of decommissioning of the plant. Getting rid of the plant after its utility has finished, a period of say thirty to forty years. This is a very costly process and more importantly, we will be leaving our children this nuclear legacy, points out the environmentalist.

But wait a minute. Aren't we forgetting something? It hasn't been that long since the Chernobyl disaster (1986) for us to go totally nuclear crazy. Of course, say the nuclear enthusiasts, the Chernobyl accident was due to faulty equipment and even faultier handling of the equipment. So what guarantee is there that Bangladesh will be immune to such possible discrepancies?



not. 'One possible way of financing the project, says Qayyum is through a joint venture of Bangladesh and private foreign funds. So far USA, China, France, Russia and Canada have shown keen interest in the project. As for the environmental concerns, says Qayyum, the Energy Commission has taken them all into account in planning the Rooppur plant so that there are no loopholes and maximum safety will be ensured. 'Quality control will be very strict and operators will be highly skilled. We will have a plant to reprocess the waste material and then have a separate unit at the power station itself to store it. The radio activity becomes lower over time. We will also have a decommissioning plant which is why the initial capital cost is so high.'

the waste products of a nuclear power generation is plutonium an extremely toxic substance; just inhaling 0.000001 grams of it can give you lung cancer. What happens if the nuclear waste somehow leaks out of its storage unit? Plutonium has a radioactive half-life of at least 24,400 years, which means it will be in the soil ten thousands of years contaminating plants and water. What would be the fate of the thousands of people living in and around Rooppur, one shudders to think. The more sensible alternative to nuclear power is solar energy which is environmentally friendly and in spite of the initial high capital cost, is something that will

live forever — as long as the sun shines on us. Experimental solar energy projects have been very successful in Bangladesh. Investing in it would give the country an endless source of energy that would be much cheaper than nuclear energy. Wind and biogas are also valuable sources of energy that have no adverse effects on the environment. Clearly, in a world already so threatened by environmental degradation these alternatives should take precedence over an energy source that may prove to be more hazardous than good. It certainly beats waiting for a nuclear nightmare to happen at any point in time.

Wary Eye on the Hot-Spots as the Sea-Bed Erupts by Pamela Cowan writes from London Cape Verde were evacuated to the coastal villages of San Filipe and Moiteiros when the Fogo volcano began erupting. Dr Rymer adds that it is not only people living on the flanks of active volcanoes that are affected by eruptions. The Mount Pinotubo eruption in the Philippines in 1991 reduced global temperatures which affects the ability of farmers to grow their crops, which in turn affects the global economy. Contrary to Hollywood's version of volcanoes, great balls of fire and thunderous roars do not precede all eruptions, says Murray. In fact, it is the quiet ones you have to watch out for. Murray cites his experience on Mount Etna, Europe's most active volcano. When he and two colleagues started monitoring the Sicilian volcano one morning in 1986, the volcano was totally silent, though it had been erupting steadily for 10 days. But there were cracks in the ground — a sign that a major change had occurred. 'By the time we were working our way down the volcano, huge clouds of ash and rocks were blown out — we call them bombs. 'We were about one kilometre from the vent when bombs were thrown 600 to 700 metres in the air. In April, about 5,000 people in

Wary Eye on the Hot-Spots as the Sea-Bed Erupts

speculation of movement in the magma (molten rock). 'Volcano in the Mediterranean Sea, the origin of the word volcano. It was active for several thousand years, only stopping for two brief periods. Its last eruption was in the 1890s, but gas emissions have increased recently. Although scientists cannot prevent volcanic eruptions, says Rymer, their effects can be mitigated. 'Monitoring volcanoes is helpful for civil defence officials when they are deciding whether it's worth bombing a volcano to divert the lava flow,' she says. 'It also means peace of mind for civilians who are living around a volcano because it adds to their quality of life if you can say a volcano is entering a quiet stage.' Scientists monitor volcanoes by measuring shifts in the ground caused by rising magma, as well as thermal heat output and gravity changes. Ground deformation can be measured by various surveying methods, which include the use of strategically placed satellite receivers which detect horizontal and vertical movements down to a centimetre. Satellites can also obtain thermal images of volcanoes, so when an eruption takes place its progress can be monitored — GEMINI NEWS About the Author: PAMELA COWAN is a Canadian journalist on a scholarship at Gemini News Service.