

Entrepreneurship Dampers

It is bad music to the ear but a timely eye-opener to make up for it. It is a key-hole kind of news through which one can glimpse a sizeable chunk of the country's productive investment scenario.

A World Bank credit worth Taka 102 crore, committed to AB Bank, IFIC Bank and IPDC, since March 1993, for their re-lending locally to help set up medium-scale industries, has remained unutilised to the tune of Tk 99.76 crore till-date. Evidently, there has been few takers of that rather small amount of loan which normally should have been soaked up by our money-short entrepreneurs like a blotting paper. The allowable maximum limit of Tk 8 crore per project, the time-consuming paperwork involved in getting final approval from Washington and the dues payable to IDA by the local re-lending institutions were all regarded as too stingy for the credit programme's success. Since it is IDA — the soft-lending window of the World Bank — that put the money on offer, the rigid conditions for the disbursement of the loans appear somewhat out of character with it.

The WB, we are hoping, would be upfront with the money so that it is absorbed in our country within the existing deadline of December, 1996. A mere re-scheduling of dates won't help. If there is anything specific on our side to be done, let's do it.

But for this piece of news, our own banks' liquidity overhang, said to be of the order of several thousand crore taka, would have gone largely unnoticed. The banks here seem to be deriving the proverbial miserly man's pleasure from sitting on excess money and counting it just for the heck of it. Why don't they reduce their interest rates and draw new entrepreneurs into taking up all sorts of productive projects?

Basically though potential entrepreneurs are put off on their tracks by bureaucratic hassles pertaining to permission to set up an industry, land-lease, gas or electricity connection, import entitlement, so on and so forth. It has been calculated lately that industries lose more through frequent power interruptions than because of labour unrest. Unless these disincentives to industrialisation are removed, we shall remain in the backwaters of investment, of both local and foreign varieties.

Civic Watch for Polls

While the controversy over the process of holding election goes on, some conscious citizens are working towards putting in place a kind of mechanism necessary for ensuring fair polls. The Fair Election Monitoring Alliance (FEMA) is one such voluntary civic body that came into being through its formal launching on Monday. The FEMA, perhaps first of its kind in the country, obviously could not bring together as many as 80 national and local organisations, citizens' groups, private development agencies, professional bodies and civic societies and even some individuals of fame without considerable efforts. We sincerely thank the organisers and wish godspeed to this new initiative.

That the FEMA will mainly be performing as a watch-dog body is not doubted. Can it extend its job further? A voluntary citizens' body does not have much of a scope for direct involvement in the election itself but can nevertheless exercise its influence as a highly deterrent force against rigging and other kinds of malpractices in an election. Since the government organs and political parties are becoming more and more controversial and suspect for their roles in election, the importance of a neutral and high-profile citizen group's monitoring role is indisputable.

To earn respectability and confidence among the public the FEMA needs to be even more broad-based and transparent. To that end the body must give a high priority to bringing into its fold more people of reputation and integrity. The FEMA has already thought of embarking on a massive programme of mobilising volunteers for monitoring polls. It will also impart training to these volunteers. That is necessary but even more important is to carry out an education programme on polls for our people. Perhaps the media — both print and electronic — can be of help in promoting the cause. When people themselves care to protect their rights, ensuring fair polls becomes an easily reachable goal, some defects in the polling system notwithstanding.

Illegal JMB Compensation

It is perhaps no revelation that a section of employees of the Jamuna Multipurpose Bridge Authority (JMBA) and of the government are involved with the scandalous compensation money given for acquiring land and properties for the project. The procedures were long suspect. Only nobody mentioned it. It is impossible for common people to raise some sort of structures overnight in the project area and claim compensation through moving files so promptly without the collusion of some people placed at key points of the JMBA and government.

Now the question is why the World Bank had to draw our attention to this large-scale fraud and collusion? We should have been aware of the malpractice of our own. Local influential people align with corrupt employees to chop a slice off the project money for themselves. The ordinary claimants are likely to get the thinnest bit.

The World Bank's allegation is a potent one tending to tarnish our national image. Wrongful compensation payments will certainly increase the cost of laying the bridge, too. When a development such as this takes place, it is the genuinely affected people who get largely ignored. There is no reason — other than, of course, political — why the wrong people cannot be brought to justice and made to return the money they received. The provenly corrupt employees associated with the JMBA and the government offices must necessarily be given punishment.

No doubt, the supervision and monitoring of the rehabilitation programme have been shabbily done. Let there be a rechecking so that no more cases of illegal compensation are taken up for settlement.

UNIVERSITY campuses have long been hotbeds of politics in Bangladesh. Neither open gun-battles between rival student groups nor the closures of the academic institutions for indefinite periods are rare episodes in the country. Therefore, the reports of fierce gun-fights between rival groups of students — which led to sine die closure of the Rajshahi University on Saturday last — should not come as a surprise to informed circles. After all, the nation has been watching such nonsense and nuisance for more than two decades.

The problems, however, stem from the facts that all these are taking place under the guise of so-called student politics, right before the eyes of law enforcing agencies, and the seats of higher learning are gradually — but surely — giving in to the forces of armed hooligans or organized mafias. None denies that the seats of higher learning in the country have long been transformed into life-threatening battlegrounds, but never before the magnitude of helplessness of common students and guardians was so profound and penetrating. The incident of Rajshahi University is just another sordid reminder how systematically the missions of higher learning are violated in Bangladesh by organized evil forces.

Reports suggest that two rival groups of students — Jamaat-backed Shibir and BNP-backed Chhatra Dal — were involved in a free-style gun fight in the Rajshahi University campus on Saturday last. During more than an hour-long fierce gun fights, they exploded over one hundred cocktails and used stenguns, rifles and other weapons. They did all these in broad daylight — in front of the university teachers, students and authorities, and before the eyes of law enforcing agencies. Worse still, they might have done all these under complete knowledge and blessings of

respective parent political organizations. Reports suggest that police recovered — by raiding the local district office of Jamaat immediately after the gun-battle — several pipe-guns, ram daos, daggers, hockey sticks, iron rods and wireless sets.

What could be more bewildering and bizarre than this? How the university authorities can maintain normalcy in the campuses when hundreds of students have access to arms and weapons? How the students that carry stenguns and other weapons can be taught by ordinary peace-loving teachers? How the ordinary students can pursue knowledge in a campus where armed hooligans are constantly watching who does what — like big brothers? How the teachers can grade the students impartially and objectively knowing fully well that the students can resort to use of arms under any pretext or context? How the guardians can remain assured that they are not pushing their offspring to premature deaths by sending them to university campuses for a chance to seek higher education?

Above all, why should the centres of higher education be battle-grounds and death-traps, instead of centers for attaining academic excellence? Who supplies arms to the students — whose interests are being served by the mis-guided half-educated students? What is the role of the government law enforce-

Gunbattle at Rajshahi University

Book the Criminals, Stop Sending Wrong Signals to the Student Community

The unscheduled closure of the universities is as unacceptable as the gun-battles between student groups. What needed is giving a chance to the law of the land... Once laws of the land are allowed to take their own course, not only discipline in the campus, but also chances for the nation's progress will be brighter than ever before.

ing agencies, anyway? Armed fightings in the campuses are nothing new. Just how many students or so-called students were prosecuted for illegal activities — for using illegal guns, for violating the sanctity of the university campuses, for denying legitimate rights to common students, for keeping the guardians in anxiety, for

ideology permits use of this kind of armaments for political ends? No ideology — be that religious or not — can permit ruthless killings as demonstrated in the case of Chittagong University student Abu Musa in the hands of fundamentalists? How student groups — that repeatedly demonstrate anti-democratic norms — can be allowed

self-seeking politicians for quite a long time. Unless education system is thoroughly revamped to make it production-oriented, job-oriented and cost-effective, plenty of students will remain available for abuse and exploitation by the self-seeking politicians in this or that pretext.

What is the point then in closing the universities sine die following incidents of armed violence? Will the politicians — the parent political organizations — stop using the students for their dirty tricks if the university is closed sine die? The trouble-torn Rajshahi University was opened on May 30 last after an unscheduled closure for 106 days. The university could remain open for less than two months only before another sine die closure struck it. Are the politicians — be that in power or not — concerned that such unscheduled closures are having crippling effects on the future generations? Have the students stopped themselves from being used as pawns in the hands of shrewd politicians? On the other hand, have the university authorities gained extra-strength for managing clashes of rival student groups? So, what is the gain in closing the university sine die, except resorting to a broad-day mockery with the fate of common students?

The unscheduled closure of the universities is as unacceptable as the gun-battles between student groups.



by CAF Dowlah



sandwiching ordinary teachers to their power of violence? How long the university campuses will remain hostage to the vested interests of self-seeking politicians and organized mafias?

None denies fundamental rights to the university students for taking active part in politics — like any other adults of the country they have constitutional rights to do so. But none — having basic common sense or conscience — can approve mindless abuse of the student community by the vested quarters. Why political parties will stock arms and weapons, ram daos, hockey sticks, etc. in their offices and how can they instigate their followers to use those on fellow students? What

to take part in democratic politics? Are the university campuses like newly formed chars in coastal areas that they can be occupied by any means? How a government — that is afraid of taking stern actions against flagrant violations of law and order — can claim to have restored democratic order in the society?

There is no doubt that years of frustrating experience with the student politics should convince almost anybody to call for order and discipline in the sphere. But given the character of dirty politics in the campuses, the prospect for achieving this does not seem very bright. On the other hand, chances seem to be very high that university students will remain pawns in the hands of

Budget 1995-96: A Close Look

by Kabir U Ahmad

THE 1995-96 budget was presented, debated in various forums and finally passed by parliament with some minor modifications. From the debates and discussions on the budget in and out of parliament one gets the impression that it has pleased a number of vocal interest groups and displeased very few. With the exception of some professional economists, accountants and trade unionists, almost all other vocal interest groups like the industrialists, traders, exporters, agriculturists and middle income classes have expressed their satisfactions with the allocations of expenditures and tax cuts proposed in the budget.

Finance Minister Mr. Saifur Rahman, who was fortunate to have been able to present his fifth consecutive budget of his tenure, must have been pleased with such an outcome. From the point of view of public reactions on the budget and the continuity of the financial management and reform programme of the government, it was indeed a rare event in the politico-economic history of the country. Very few Finance Ministers of Bangladesh, or for that matter of any country, have had such good luck.

However, government budget is not just a matter of balancing expected annual revenue receipts and desired expenditures. Nor is it a simple mathematical-statistical optimizing exercise. Budget preparation is rather a complex process which has to take into account the expected levels of realisable revenues without excessive distortions of market prices and individual incomes, feasible growth rates of the economy, efficient allocation of available funds to various administrative and developmental agencies, loan raising capacity from within and outside the economy, effects of debt management on the monetary sector and thereby on the investment and growth of the economy, political mandate of the ruling party, sound judgement of financial experts and politicians at every step of politico-economic decision making, and above all, harmonisation of conflicting claims of various socio-political and regional interests of the society. The results of all these multi-dimensional decisions that the budget process has generated affecting the entire economy and the polity finally get translated into some numerical statements of taxes, subsidies, loans, grants and expenditures of the budget.

However, the criteria of judging the performances of a budget are the following: Direction of changes it brings about in the allocations of resources in the market, promotion or retardation of economic growth, stabilisation or destabilisation of the economy and some desirable or undesirable redistributions of income from one class to the other. It also gives signals as to which sector of the

economy it encourages and which sector it discourages through its tax-expenditure package.

It would be useful to have a close look at the expenditure and tax-subsidy pattern envisaged in 1995-96 budget and examine their implications.

Expenditure Pattern of 1995-96 Budget

The total estimated budgetary expenditure (both revenue and capital budget combined) for 1995-96 is 24,490 (all numbers are presented in crores of Taka) while the revised expenditure for 1994-95 is 22,493 showing an estimated growth rate of 8.9%. This is, no doubt, a respectable rate of growth of budgetary expendi-

ture for Bangladesh. The proposed revenue expenditure alone for 1995-96 is 11,070 while the revised revenue expenditure for 1994-95 is 10,300 registering a growth rate of 7.5% and the development expenditure for the two corresponding years are 12,100 and 11,150 respectively showing a growth rate of 8.7%.

The interesting features show up when one takes a hard look at the individual components of this combined (revenue and capital) expenditure data. The Budget Summary Statement accompanying the 1995-96 Budget gives 20 individual Heads of such expenditures like Agriculture, Rural Development, Water Resources and so forth upto the last or twentieth item, Unexpected Expenditure. If one looks at the budget estimates of these allocations for 1995-96 and compare these with the revised expenditures for 1994-95, one finds that allocations under four Heads have declined while those under the other sixteen Heads have increased. The former four items are: Industries from 272.85 to 211.66 (-22.5%), Power from 1342.18 to 1200.07 (-10.59%), Transport from 3175.49 to 3052.42 (-3.9%), and Family Welfare from 581.90 to 570.90 (-1.9%). (The percentages in parentheses measure the rates of decline). In the present state of the economy when inadequate transport facilities and power supply are severely hindering the development process, reductions in bud-

getary allocations to these vital sectors from their previous year's levels simply cannot be justified. Nor can one justify a reduction in allocation to Industries and Family Welfare sectors if one takes the government's oft-repeated economic policy objectives of job creation and poverty alleviation seriously.

The other 16 Heads of expenditure under which allocations have increased have been compressed into 7 Heads for simplicity by aggregating closely related items of expenditures. These are presented according to their ranks determined by decreasing percentages of allocations: Water, Oil, Gas and Natural Resources increased from 1243.87 in 1994-95 to 1619.09 (30.16%), Physical Planning,

in the second place, only 9.7% of the total budget expenditures is allocated to Agriculture and Rural Development. If rural poverty alleviation is a serious objective of the government, then this amount is too small to make a dent on the rural poverty of the country. In the third place, the amount of 1613.13 on Health, Social Welfare, Labour and Manpower, and Sports and Culture comes to about 7% of the total budget expenditure. Note that the expenditure on medical colleges and hospitals, nursing colleges etc are covered under Health. However, this is the bulk of expenditure geared to promoting social welfare in the country. Bearing in mind the appealing situation of hospital

beds and medical care facilities available in the country, the amount allocated is negligible. No significant improvement can be brought about in this sector with this amount of money. No wonder, hospital and health care facilities remain poor in the country and that's why any middle class Bangladeshi who can afford goes to India, Bangkok, Singapore, England or even USA for treatment whenever he falls ill.

Finally, the sector of Scientific and Technological Research, and Education and Religion has been given 3863.54 which comes to 16.7% of the total expenditure. The amount given to Education is 2144.9 out of which Primary Education gets 953.5, Secondary and Higher Education gets 890.4.

What needed is giving a chance to the law of the land — let the criminals that used guns in broad day light be tried according to the law of the country. No nation should know it better than Bangladesh that turning blind eye to illegal activities of so-called students results in promotion of criminals in national leadership. Such leadership never learns the value of good citizenship and is never able to promote good governance of the society. They set bad examples to the new generations, and make social progress more arduous. Once laws of the land are allowed to take their own course, not only discipline in the campus, but also chances for the nation's progress will be brighter than ever before.

Improving environment in the university campuses will also require timely holding of the elections of student bodies. It is disgraceful to learn that elections of student unions did not take place at Dhaka, Chittagong and Rajshahi universities for last five years, and at BUET, Jahangirnagar and Islamic universities for last four years. Although most of the student leadership elected in 1990 or 1991 elections are no more students, concerned authorities have been postponing new elections in this or that pretext. The university authorities should know it no less than others that elections of student bodies not only help in establishing legitimate student leadership, but also significantly enhances sense of belonging of the ordinary students in the university matters. Absence of elected and credible student leadership is undoubtedly one main reason for frequent disruptions of academic atmosphere in the university campuses. Of course, restoring congenial academic atmosphere in the politically troubled university campuses will require more than due process of law and elections of student bodies, but most certainly they can help in initiating the process.

Technical Education gets 44.6 University Education gets 164.6 and other Subsidiary Educational Services get 91.7. It is good to see that the Primary Education gets such a lion's share from this Head.

However, what is astonishing is to see that out of the allocation of 890 for Secondary and Higher Education, Government Madrāshas get 4.8 but the Non-Government madrāshas get 200 as grants (200 crores comes to about \$ 50 million) which is far higher than the total grant of 164.6 (\$ 41 million) received by the Universities. The grants to all the Technical Colleges is only 44 (\$ 11 million).

How would the Madrasha graduates contribute to the socio-economic development of the country? Is this the most efficient utilisation of taxpayers' money? What signal is this allocation giving to the country?

To be concluded tomorrow

OPINION

Once Spain, Now Bosnia — Same Game

Political misjudgements and wrong turns are like tuberculosis, hard to detect and easy to cure in the beginning and very hard to cure at the end. — Niccolò Machiavelli

Salahuddin Imam

Republic was a legitimate Government while Franco was technically a rebel! The Western powers officially suspended deliveries of arms and vital supplies to both sides.

Since it was an open secret that Franco was being liberally supplied with heavy arms (and even troops) by Nazi Germany and Fascist Italy this policy could only be aimed at isolating and weakening one side, in the well-founded hope that it would be quickly overwhelmed by its enemies. In exactly similar fashion, Britain and France have been holding the ring in Bosnia today, actually preventing help to the Government side while countenancing the brazen all-out support being provided by Serbia to the rebels.

The Timewatch programme further showed how the City of London had taken a number of secret steps in the 1930's to undermine the financial standing of the Spanish Republic. The point is that while professing strict neutrality, certain elements in the Western countries found hidden ways to support one of the sides in the Spanish civil war. That is why the claims of neutrality in the Bosnian conflict need to be taken with a pinch of salt. The recent London Conference turned out to be nothing more than an event stage-managed to allow the Russians to warn all other countries against taking any further action in support of the Bosnians.

The biggest secret of all is that whenever strong action has been taken by the UN against the Bosnian Serbs it has worked. Thus there is every reason to believe that powerful UN retaliation would very quickly bring the Bosnian Serbs to their knees

and expose them for the hollow bulles that they are. If the Western powers, and Britain in particular, are doing everything they can to head off such a demonstration of the UN's capacity to deal decisive blows it is mainly because they are afraid that such action will succeed! In which case, the inevitable question that will be posed is why was not such action taken earlier? Why was the so-called UN Protection Force not allowed from the beginning to carry out its mission of protecting the Bosnian State, instead of spending all its time and energy pitifully engaged in protecting itself? These are the hard questions that need to be asked to explore the moral and political bankruptcy of the policies followed so far in Bosnia-Herzegovina.

Just as Britain and France were, in effect, allies of Nazi Germany in the destruction of the Spanish Republic in the 1930's so today they are allies of fascist butchers like Milosevic and Mladic in rendering Bosnia-Herzegovina unviable as a state. It seems that the end, elimination of a European entity in which Muslims would have had a say in running their affairs, justifies the means, however distasteful, and however blood-stained the henchmen.

Clearly there are powerful forces for good in Britain and France who object to such a venomous realpolitik. In the 1930's it took a Churchill to rouse his nation against the folly of Appeasement tactics. Perhaps today Lady Thatcher, of all people, may become the spearhead of a popular movement to drive home the message that even statesmen have to observe certain limits, that rampant immorality is a poor foundation for effective policy.