The Baily Star

Founder-Editor: Late S. M. Ali

Entering a Dark Tunnel

By the time our readers will be going through this editorial, we will have already entered the dark tunnel of a three-day continuous strike. How badly damaged the country will emerge from the other end of this tunnel we are not sure. But what we are sure about is that we shall all be extremely weary at the end of it. Weary of the continuous political impasse, of the total breakdown of dialogue between the contending forces, of egoism and stubbornness of the two principal leaders of the country, of the failure of the secondary leadership of both AL and BNP to start some sort of behind-the-scene dialogue, and of the political hyperbole and populist rhetorics that we have had to swallow everyday. We are also likely to be tired of being forced to keep our factories, plants, shops and offices closed because our political leaders cannot resolve their differences. At the end of the three-day continuous strike we are also likely to emerge weary of our civic and individual right of freedom of movement and travel being so thoroughly and brutally curtailed.

But does our being weary, make any difference either to our government or the opposition? The unfortunate truth is - NO. It does not matter how we the citizens, the voters,

feel about any of these issues.

By all indications, both sides have hardened their positions. Not only that, there are strong apprehensions that both sides are prepared to take tougher actions to indicate their

respective positions. Having failed to persuade both sides in seeing the virtue of dialogue over that of political confrontation, during the last year and a half, we are not likely to see any significant change of heart immediately. The best that we can hope for is that the opposition's programme will pass off peacefully. Sheikh Hasina's appeal to her workers to be prepared to make "any sacrifice" for the "cause" means that her party is ready to go all out to implement its programmes. There is definitely an undertone of severity in such appeals, which can easily lend itself to desper-

ate acts during the strike period. As journalists are exempt from strike, measures should be taken by the hartal callers to enforce that exemption to the hilt. During the last strike programme, autorickshaws carrying our staff to office were attacked and set on fire by the picketers. Media work and other emergency services like medical and fire services must be given protection, if the exemptions given by strike callers are to have any credibility.

We would like to implore both sides to use restraint and not to endanger life and property. We still hope and pray that good sense prevails over our political leaders.

No End to Black Smoke?

Poisonous fume-emitting motor vehicles and other types of internal combustion machines have registered a phenomenal growth in the last decade and a half. What all of Dhaka's vehicles had thrown up in the sky in a whole week in the past is possibly being spewed by one single traffic jam in the city today. Frequency of such jams has increased so much over the past months that residents of Dhaka city are being administered a hefty dose of noxious fumes every day of the month, without any exception. The jam-spots have become veritable pits making citizens wallow in a profusion of one of the most dangerous effluents that civilization has given birth to.

The main reason for this looming urban debacle is that no one minds taking in a whiff of black smoke instead of the clean morning air. Even for those that feel greatly discomfited by the draft of black smoke coming from the idling car or truck in front, it has simply gone out of our national character that they would go and protest to the offending driver.

The government has been singular in its success to promote air pollution. The fine for the offence is a paltry Tk 200 and no one cares to prosecute any offender. It is said that some 2000 have been charged, maybe at the rate of six a day; but this is a whimper at best

It is very difficult to see why the government has not thought of the supremely preventable air pollution as a fit challenge to address.

If any one single bad performance has opened the fitness of the present set to govern to grave doubt, it is possibly this cringing from this life and death question of this city.

Reprieve for Sarajevo

US Assistant Secretary of State Richard Halbrooke has been able to broker something that would help loosen up the Bosnian Serb noose around Sarajevo. This has been made possible by the NATO bombing pressure. Serbian President Milosevic, universally known as the main actor playing from the back room, has signed an agreement to the effect that the Bosnian Serbs would pull away from around Sarajevo on condition that NATO ended its air strikes in return. This is as much as achieved now, if, of course, Milosevic is any one to go his words by. He should prove a better breed than both Karadjic and Mladic, the butchers. But will he?

The bombings would not have materialised had not the Bosnian Serbs forced this on NATO through their bestial attack on the Sarajevo market-place. Will NATO be needing a constant supply of such brutalities to keep its resolve firm?

The Bosnian Serbs are a playtool for Milosevic and the whole infernal Yugoslavian slaughter-house scenario has been scripted by western vacillations to act. One prays that the Hamletian streak does not take effect on them one moment too soon.

Commodity Aid: The Pros and the Cons

room for complacency might turn out to be a room for concern.

OMMODITY Aid (CA) If the rate of growth of imports in 1994/95 could be an indicator and if, as IRBD report showed, constitutes an imporinvestments could be parked at say 20 per cent as it would have to be to alleviate poverty, the tant element of the total aid flows in the country. CA is the provision of aid for the acquisition of interme diate inputs and raw materials but excludes comm odities acquired under proj ect aid. In the nascent years of our independence. CA comprised half of the total aid package including food and project aid. The share began to decline since then. According to the External Resources Division (ERD) the contribution of CA amounted to 35 per cent in the period 1980-85 and. roughly, 12-15 per cent over the last decade. The main ports Debt relief relieves the commodities imported under burden of repayment of in-CA includes, for example, terest and amortisation and fertilizers, cotton, edible oils, therefore affects BOP posiand the main sources are USA, Canada, Japan, Netherlands. Denmark etc. There are immense varieties of commodities aided by the donors and one could observe that road rollers and rail wagons also appeared in the list of commodities. However, the present brief is prepared from the impressions while working on an evaluation of commodity assistance with

Theoretical Juxtaposition

R-Timmer and O Maake of

Netherlands. The observa

tions apply in general with-

out any reference to CA or

any particular country

For an assessment of CA at macro level, four different effects could be distinguished viz the impact (i) on the balance of payments (BOP); (ii) on the government budget: (iii) on the price level; and (iv) on the over all growth of the economy

CA is mainly given to ease the foreign exchange constraint. The impact on balance of payments, however, would hinge in the first place on the form in which the programme aid has been supplied, viz direct foreign exchange for the import of commodities or debt relief and whether the aid has been provided in the form of grants or loans. In case the provision of foreign exchange in the form of grants leads to additional import of goods. theoretically, the current account deficit would remain the same in the short run. The BOP situation could only improve if imported commodities under CA help raise the productive base of the economy resulting in supply of exports a decrease of im-

The impact of CA on gov ernment budget depends on the collection and use of counterpart funds (CF). If Bangladesh, for example, obtains foreign exchange under CA to import fertilizer, or raw cotton or edible oils and sells them to the end users, the sale proceeds are called CF which are (at least theoretically) expected to be spents on developmental proposes. It must be mentioned here that in case no such receipts are received (this may happen in specific cases such as the supply of medicines or the provision of certain goods for state owned enterprises) the aid can be treated as a subsidy and would not have any impact on budget deficit (unless there was original subsidy ear marked for it). By and large, the impact of CF would depend on whether the extra funds so general as used for reducing fiscal deficit or for

additional expenditures. . The impact of programme aid on the general price level runs along two tracks. First in case the aid leads to addi-

China or pro-democracy.

Martin Lee Chu-Ming:

Crossing swords with China

(anti-communist) army, he

was born in 1938 while his

mother was visiting relatives

in Hong Kong. "My father

said: 'Don't register the birth

because I don't want him to

crossed the Yangtze river in

the closing stages of their

war against the nationalists.

the Lee family "took the last

flight out of Guangzhou" and

Lee, when he was established

in his profession, that he be-

gan to feel a political com-

mitment to Hong Kong. He

recalls that with reversion to

zon, many of his friends

planned to leave. "buying

Chinese control on the hori-

It was not until 1981, says

settled in Hong Kong.

But when the communists

be British'," Lee recounts.

tional imports, the increased supply of goods would have a decreasing effect on price levels possibly, by shifting the supply curve to the right. The secondary impact is likely to spring from the use of the CF generated through sales of commodities under CA. If the funds are not used for additional expenditures. but are being spent on productive ventures, another decreasing level could be in ev-

some cases where double tying is prevalent, many cases where single tying is prevalent and few cases where triple tying can be noticed.

Tying of the sources of procurement would be damaging in terms of prices since cheaper sources could remain unexploited. Thus for example, import of TSP fertilizer under CA form a par ticular country might cost 10-15 per cent higher than if the country could be allowed

Beneath the Surface

by Abdul Bayes

The relationship between CA and economic growth is very complicated to diagnose and its determination would also depend on whether the additional imports have led to diminish the bottlenecks in the utilization of installed production capacities in the different sectors and to whether the sector are considered as economically effi-

Why it Clicks

Commodity assistance is considered usually handy and is said to require relatively less time and procedural steps than, any, project aid. Normally, it is tied either for the type of commodity to be bought or for its sources of procurement or for the use of the counterpart funds generated by CA. This may be called single tying. When the type or commodity is tied with the sources or procurement, it can be termed as double tying. There are

to purchase at international prices. Tying of the commodity could hurt the economy through flooding of competing products. For example, the import of edible oils or foodgrains might depress the domestic price level and discourage their domestic protection.

Tying of the uses of CFs could, perhaps, be relatively less painful, if a government is asked to import whatever commodity it likes or to use whatever sources it deems to be economic but only ensure the use of the CF for social sectors, the tying could turn out to be useful also However, Bangladesh had the tastes of all the ties men tioned above but, probably, chewed more sours than sugars from tied CA.

Substitute or Supplement?

Normally, the foreign exchange component of a development project is financed by the donors and the local currency component comes from the national budget. Although the donors were found to agree to provide even the local currency component of some projects. the onus lies on the government to eke out the substantial portion from its budget. Now the Bangladesh govern-

ment has only two sources at its disposal to bank on: budget surplus (revenue over expenditure) and the local currency funds yielded from the sale of imported commodities under CA in the market. For a manager of financial resources development of a where half of the people grown under poverty line, per capita incomes is dismally low at US\$ 220 and where economic growth rate hangs around 4-5 per cent per year, the availability of such CPs could be used to, for example, for more teachers in primary schools, reducing system losses in the power sector by investing in transmission, creation of industrial capacities etc and thus heep growth and development. Or, the same manager could also spend the money for lavish and unproductive expenses like paying higher salaries or wages to public sector corporation, buying cosy cars and fleshi flats for

The performance relating to the use of CFs during the 1980s, especially, do seem to indicate that CFs were used as a leverage for enhancing government's revenue expenditure. The current expenditure were allowed to hike, without control from 6.6 per cent in 1982/83 to 8.9 per cent in 1989/90. It is alleged that the CFs available.

the people at the helm of

country affairs.

instead of supplementing domestic savings, in fact substituted domestic savings so much so that the local currency need of some projects are reported to have come entirely from CFs only. This happened because the government faced budget deficits although. The bleak scenario does not seem to exist anymore and with concerns looming large from such misuses, it appears that social sectors are getting preferences in CF spending.

Concluding Remarks:

There are three main reasons that the CA might not appear now with the same utility as it used to bear in the past. First, Bangladesh accumulated sufficient extercountry like Bangladesh and reserves to finance about 8 month worth of imports on cash and thus the BOP constraint no longer seems to exists; second, many of the commodities imported under CA were mostly channelled through parastaffs whose downsizing is now in operation, third, the rationale of CA assistance, as said earlier. does not exist any more.

> The argument that Bangladesh has enough reserves for paving ways for CA to quit is, perhaps, not based on careful considerations. If the rate of growth of imports in 1994/95 could be an indicator and if, as IRBD report showed, investments could be parked at say 20 per cent as it would have to be to alleviate poverty, the room for complacency might turn out to be a room for concern. Commodity assistance should continue to grow with the proviso that the foreign exchange available through that should be competitively distributed. The types of commodities and sources of procurement should not be tied but tying of CFs for use in the elevation of social indicators could be worth digesting.

Pro-democracy Champion Fights for Local Leadership

Nick Young writes from Hong Kong

As colonialism approaches its end in Hong Kong, Britain is finally holding an election (17

September) for all seats on the Legislative Council — a body China has promised to dis-

band. Gemini News Service looks at the candidates, who are identified as either pro-

spoken, narrow-sho-L uldered, Martin Lee Chu-Ming does not seem much like a political tiger as he sips of a cup hot water in his book-lined chambers.

But as chairman of Hong . Kong's front running Democratic Party, the 57vear-old lawyer has repeatedly crossed swords with both the Chinese government, which resumes control over the territory in 1997, and the British authorities who are preparing to relinquish their last colony of substance.

He hopes to extend his mandate "to insist upon the rule of law in Hong Kong" on 17 September when, for the first time in 150 years of British rule, elections are held for all 60 seats of the Legislative Council, widely known here as LegCo.

But this budding democracy may soon be firmly nipped back. Angered by Britain's eleventh-hour decision to democratise an institution it previously filled with appointees. China has repeatedly stated that it will disband LegCo in 1997 and replace it with an appointed body of its own.

This has cast a long shadow over an election campaign which has been dominated by polarisation between those, including independent candidates, seen as "pro-China" and those who are "pro-democracy."

Lee is the champion of the latter camp. In 1991, his party took 12 out of the 18 LegCo seats then elected by universal suffrage, and he personally polled more votes than any other candidate.

* The son of a General in Chang Kai Shek's nationalist

Dominican passports for US\$90,000 while they applied for Canadian ones."

He stayed, he says, because he felt a debt to the community which has seen him prosper. Now he believes that debt can best be discharged by standing up to Beijing.

He argues that "the whole design of Deng Xiaoping's one country, two system policy" — under which Hong Kong has been promised a high degree of autonomy after 1997 - "requires there be strong leaders in Hong Kong, fighting for the rights conferred on us by China. People in Hong Kong must insist that China does not interfere - or we'll soon have one country, one system'."

The colony's current and final — Governor, Chris Patten, who has pioneered democratic reforms despite China's total opposition, might be expected to agree.

But Lee bitterly criticised Patten in July, bringing a noconfidence motion against him in LegCo for a Sino-British deal over the Court of Final Appeal, which will replace the Privy Council as the highest legal authority.

The court is to have no jurisdiction over "acts of state," thus giving Beijing discretion. Lee believes, to try cases under mainland Chinese laws. This, he claims, will be as bad for business as for human rights since "if international investors believe our legal system is a lottery, many will refuse to play."

He suspects that Patten gave in to Chinese demands over the court in order to gain trade concessions for Britain. In August, Lee was given a

human rights award by the American Bar Association for his "extraordinary contributions to the promotion of justice." But some observers believe his forthright criticism and mistrust of China no longer reflect local public sentiment. During the 1991 elec-

tions, they point out. Hong Kong was still smarting from the sight of the 1989 Tiananmen Square massacre. which sparked a demonstration by more than one million Hong Kongese.

Since then, there has been a growing mood of pragmatism, particularly in the business community, and a desire to avoid antagonising the incoming sovereign.

This is evident in the democrats' main political rivals, the Liberal Party, closely associated with business interests and led by businessman Allen Lee Peng-fei, and the Democratic Alliance for the Betterment of Hong Kong (DAB), openly supported by Beijing and led by school principal Tsang Yoksing.

Both parties stress the need for cooperation and constructive dialogue, rather than confrontation with

Beijing. They say Martin Lee. who was refused permission to visit Beijing to attend a legal conference in August, has too poor a relationship with China to represent Hong Kong's interests effectively.

Most DAB candidates and many independents serve as advisers" to Beijing on Hong Kong affairs, or sit on the Beijing-appointed

Preliminary Working Committee, a shadow-parliament from whose ranks China is expected to choose the first post-1997 LegCo.

Their campaigns have tended to focus on their personal suitability or local constituency issues. But in terms of bread and butter issues there is little to divide the parties, and the poll is domi nated by the "pro-China" or pro-democracy tags", which even well-known independents do not escape.

Veteran independent Peggy Lam, respected for her devotion to public service and women's issues, has a conciliatory approach towards' Beijing. She is standing against Christine Loh, a younger, dynamic independent who raised her public profile last year by campaigning for equal inheritance rights for rural women. Loh is considered the pro-democracy candidate.

There are only 138 candidates for the 60 seats, half of which are elected through China

expresses sympathy for the

victim. No successful medi-

cation for this severe ailment

has yet been discovered.

However, some capsules are

available, but these are so

costly that most of the af-

flicted persons cannot afford

to buy them. Besides, this

medicine is said to cause se-

rious side effect. Our climate

diabetes, and simply worse

Can any one throw more

"functional constituencies" representing different occupational and professional groups. Informal coalitions have ensured a straight pro-China or pro-democrat choice for nearly every seat.

The Democratic Party is fielding 24 candidates, the Liberals 15 and the DAB 14. There are 51 independents, and 38 members of smaller parties or pressure groups.

The greatest enemy of democracy may be voter apathy. Barely 26 per cent of the electorate voted in recent

municipal elections. Government publicity to improve turnout has included free distribution in under-

ground railway stations of notepads with a "LegCo 95" While some commentators suggest that it is hard to

drum up interest in an election to a body that is soon to be disbanded. Martin Lee is sanguine that LegCo will survive the handover of power: "I don't believe they will

necessarily demolish any institution left behind by the British, because the whole world will be here watching."

The diplomatic bluster. he suggests, is designed to minimise the advance of democracy, "but a lot depends on how secure they feel in their own position."

But what would make Beijing feel most secure would appear to be a strong swing away from the democrats — which is precisely the point Martin Lee's rivals are stressing on the doorsteps.

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Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Teacher politics

Sir, Teacher politics seems to have acquired an endemic character in the universities of late. So long it was student politics, under the patronage and inspiration of different political parties. that had been ravaging the peace and tranquillity in the academic arena. It is now the rivalry and politicking among the teachers that have infused renewed impetus in the political gambling on the campuses.

The syndicate polling of Jahangirnagar University is over. But the apparent invidiousness among teachers over

the election has not subsided as yet perhaps. As the syndicate polling

began to approach close teachers were seen in flocks moving from here to there with utmost enthusiasm in pursuit of votes for their respective panels. Even the ceachers who have rather a bad reputation of being irregular in the department, were then seen to be so much regular and active in this mission. Needless to say, academic activities suffered a serious dead-lock. The interest and incentive

that the teachers were found to be showing in lobbying are hardly seen to be paid to academic causes. While the teachers are supposed to attend their scheduled lectures and discharge their official responsibilities properly, it is not known, why they are, in-

stead, giving it a tremendous importance to beg votes from door to door in a manner not becoming of their position. It is irritating indeed. How much the fashion of politicking has worsened was demonstrated by the viewers' reaction to the frenzied electioneering campaign. Factional squabble too intensified to a point posing fear of skirmish.

How why this politicking? Why this ceremonious arrangement? If the teachers do have any reason behind this politically motivated grouping, that seems to be satisfying their ego. Innocent and brilliant students are at times subjected to suffer for this factional strife among teachers.

The country has a glorious post of having teachers with proper ideological inspiration and sacrifices. But the sublime image of the teachers of the by-gone era which earned profound honour and acclamation of the people, is now

in the process of decline. Teaching as a noble profession has already lost its credibility. Today teacher politics is adding to the ruination threatening to crumble the very pillar of educa-

M Sikandar Rana Dept of English, Jahangirnagar University

Parkinsons: A dangerous disease

Sir, If a question is posed - is Parkinsons a dangerous disease? The straightforward answer is a big 'yes'. Is it incurable? Yes, it is. Does it affect normal behaviour? Yes, in a big way.

One becomes crippled, even if he/she might possess very good health. One becomes simply dependent on others for every requirement e.g. dressing up, taking food, bathing and washing etc. What a pity!

Every one shows pity and

also has adverse effect on one afflicted with this disease. Cold climate of Western countries provides some soothing effect however. But it is life-long companion like

than that

light on this topic?

Flt Lt (R) A B M Mohiuddin Dhaka-1206

SBC shares

Sir. The government has taken a right decision to offload the 49% share of Sadharan Bima Corporation Sadharan Bima is earning profit. So the small investors will be inclined to purchase the shares. The argument for retaining 100% share by the government is not tenable.

The government is not a business organisation and it cannot go for doing business for indefinite period. The buyers of share who are general public will be benefitted.

Not only Sadharan Bima

Corporation, the government should also offload shares of other concerns. Here in case of Sadharan Bima Corporation the government will retain 51% share. Besides, 15% share will be sold to the employees of the Corporation. As such the larger portion of investment will remain with the Corporation. We request the government to go ahead with such offloading programme for other such concerns as the same will help improve the situation in the capital market.

Mahbubul Haque Chowdhury Kalabagan, Dhaka