

New Every Time!

We should be knowing floods like the palm of our hand given their patterns established through the years. Yet, every time they strike us we seem caught unawares facing them anew as if the first hominid has been awe-struck by a mighty natural phenomenon and ducking for safety in wide-eyed helplessness at the mouth of his cave.

Our stereo-typical response to floods can be dissected on three levels: First, there is invariably a round of shadow boxing over the origin of the floods, their cascading downstream, and the internal swellings on Bangladesh soil due to dereliction of water channels, evidently with no practical relevance to the work on hand. Secondly, there is a near-total fatalistic attitude to the destructive swipes. Thirdly, when the red alert is thrown in, the sleeves are rolled up and the disaster relief gets sent out from the headquarters, the flood has already worsened into all-engulfing sheets of water with virtually no communication to reach the marooned and needy with succour.

We are for graded flood management and preparedness, all in place and in hand well before the onset of the flood to be pressed into service at a short notice. Every time it is the same old story of embankments breaching and river banks eroding washing out village after village with reckless abandon. Could we not have banked the vulnerable river-sides or strengthened the existing embankments well in time to avert their crumbling to pieces? The predictability level is fairly high about river erosion, so that apart from taking the structural precautions we could have moved people to safety as well.

Our point is, we ought to keep in readiness helicopters, stretchers, vehicles, speed boats, ORT sachets, medical units, communications sets, etc. for despatch at moment's notice.

The implementation of FAP to which all the big economic powers had lent their support in principle is unfortunately see-sawing between what is good about it and what is presumed to be bad in it. It is not even in a state of suspended animation. Let it be revived to the centre-stage. At the same time, as the Water Resources and Flood Control Minister Abdur Razzak has promised in an interview with us, let's have a focused seminar on floods at an early date attended by planners, experts and environmental journalists.

TWA Tragedy

The possibility of sudden and untimely death is something we all have to learn to live with. More so in the case of those among us who have to undertake journeys in one form of the scientific invention or the other for travel purpose. But nowhere the tragic impact of an accident is as intense as it is in an air-crash. It splashes out so much sadness on our consciousness that words are always found wanting in any attempt to fathom its depth or encompass its expanse.

The Challenger like flaming fate of the TWA jumbo jet with all its 229 passengers dead at 0045 GMT, Thursday shortly after its take-off for Paris from the JFK airport in New York is a tragic reminder of life summed up by a royal character in one of the plays of an English dramatist of considerable repute: "a tale told by an idiot full of sound and fury signifying nothing". Indeed, when fate takes such cruel toll on this irreplaceable and unimitable phenomenon of inhaling and exhaling, that too not for a long spell, you have all the provocation to call it some idiot's tale.

What a synged seal of fate! What a terrible destruction of dream and desire! A group of people who bought their rights to set their feet safely on the Charles de Gaulle airport ended up as the burnt offerings for the cold water of Atlantic.

Primary investigations have not revealed anything yet to suggest the involvement of any terrorist group in the accident, although a tinkler to a television station in Florida who introduced himself as a member of an Islamic crusaders' group, reportedly claimed responsibility. Every fall out of a holocaust is accompanied by such unauthenticated inhuman claims and few lead to discovery of the epicentre of such monumental tragedies. However, if there is a human hand in this skyeey inferno and not any technical glitch that might have gone into the explosion, then more than the memories of all others on the board the ill-fated aircraft, that of the members of the French Club of a Pennsylvania school urge the universal conscience to discover that anarchy's hand for punishment. Because theirs contributed so much to the darkness at noon; the noon of life.

A Quiet Passage

The year-long celebration of Dhaka University's seventy-fifth year of foundation culminated yesterday. The concluding ceremony marked by the symbolic flying of seventy-five pigeons and the customary addresses of the luminaries among numerous alumni could not erase the lingering memory of the poor celebrity value of the seventy-fifth year of country's highest seat of education. It was more of a fate than a case of inadequate human will and effort.

When the wheel of this celebration was set in motion at around this time last year, the whole country was caught in the welter of a political confrontation between the party then in power and those who opposed its rule. Having got a new lease of life only a few years ago, democracy was again gasping for breath as political instability gave rise to enormous tension in every sphere of life. Nevertheless, the joyous occasion was marked out but the gift of the gingerbread was taken off by the divisive and confusing nature of politics.

The hallowed institution became a sad study in ironical helplessness, for almost all the grounds well of major political events of this land had its epicentre here and yet by the quirk of an unkind fate it was left to a destiny of relative indifference.

The insular and indifferent fate it suffered this time had a lot to do with the factional and divisive spirit of time.

But then a curious happening which has only coincidental significance can move our eyes to the utility and tradition of the educational institution as a place for unification of the forces in favour of learning, consciousness and progress. Last year, the year-long programme was launched during the reign of the Bangladesh Nationalist Party (BNP) and this year when the wheel came a full circle it was the Awami League back in power having outlived the nightmares of history. In the quiet, unresonant passage of its seventy-fifth year, this continuance of democratic spirit probably formed the only silver lining.

Calculating the Price of Politics

Research should continue to hunt for the political pins that might prick economic growth. It would be in the interest of Bangladesh also that researchers come out with the particular political problem that is likely to sting the economic performance.

It is, perhaps, a torqone conclusion that politics of a country has impact (positive or negative) on the economics of that particular country. To give more credence to this notion, it is generally hypothesised that political stability is a sine qua non for economic growth and development of any country, be it small or big. Differentiated political environments in different countries, arguably, tend to result in varying economic performances among the countries. For example, liberals generally deem democracy as the apostle of faster economic growth while others (partly convinced by the role of the dictatorship in East Asian countries) tend to praise authoritarian regimes on that count. The Economist (Jan 27-Feb 2 1996) dealt with the issue of measuring the price of politics and submitted some interesting observations for the consumption of the readers.

property rights, which make people reluctant to invest or lack of respect for the rule of law, which makes citizens wary of doing business with strangers."

General comments on the political factors constraining growth generally abound. But the most important challenge that economists seem to face is to pin down the specific political factor which is relevant to economics. In other words, among a set of available political factors affecting economics only few could have direct correlation with economics and the formidable challenge is to work out the pertinent ones.

Among many ways available to do the exercise, one popular approach has been to equate economic growth performance with the nature of political regimes - i.e. whether democratic or authoritarian. Which are friendly to higher growth? The Economist quoted survey re-

This time, the 'instability index' so constructed observed that the rate of economic growth is negatively correlated with the number of disturbing events. But the relationship between growth and stability was not found strong - and hence expectations still loomed large for a better indicator.

In the search for a better indicator, economists then turned on to the 'political credibility index'. The political factors that mattered most to businessmen were taken up as the explanatory variables. A sample of entrepreneurs from 28 developing countries were asked two general questions: (i) whether they had to cope with unexpected changes in laws or policies that could easily affect their business and (ii) whether strict adherence to announced policies were expected by them.

The political credibility index seems to have per-

Beneath the Surface

by Abdul Bayes



At the very outset, it needs to be established that, as far as economists are concerned, they are yet to come up with a definitive answer to the apparent causality between politics and economics. Traditional growth theories, for example, consider total output as a function of capital, labour and the state of the technology. The famous law of diminishing returns should enable a poorer country to reap more benefits from the additional capital given a higher return on additional capital in that country. As a result, poorer countries should grow faster to bridge the gap between the LDCs and the DCs. However, if one compares the growth rates between Bolivia and Malaysia between 1965-1995, one stands surprised with the evidence of mixed convergence of economic growth. In 1965 Bolivia had a per capita GDP of US\$ 745 compared to Malaysia's US\$ 870 - a difference of roughly 15 per cent. But now Malaysians, reportedly, are roughly four times as rich as the Bolivians. The most pertinent question is: how could that happen? There are a volley of factors adduced for the emergence of such a yawning gap and political differences are tipped as the most important. Slow growth may be the result of insecure

suits from three Swiss economists who completed 16 empirical studies on the above mentioned nexus. Three of them find a negative correlation (i.e. the more democratic a country, the lower its growth rate), three find a positive one and ten find no conclusive results either way. The researchers, of course, admitted that such an outcome was not unexpected given the way democracy was measured. In most cases, the measurement of democracy was based on an index that concentrates heavily on the fairness and transparency of the electoral process. These factors, they argue, may be less important than the stability of a regime and the confidence that investors have in mind in the political environment. We, the Bangladeshis should also bear in mind that a fair and transparent electoral process has very little to lure investors. Rather we should emphasise stability of political regimes and political environment.

To face the above mentioned definitional deterrents, 11 other studies banked on 'instability indices'. The instability indices were based, for example, on the number of mishaps that tend to shake a country's political regime, e.g. number of coups, revolutions and political assassinations,

formed better than the stability or instability index mentioned earlier. Economic growth was found to be highly correlated with political credibility. The credibility index explained about half of the variation in per capita income growth in the sample countries between 1981 and 1990. It needs to be mentioned here that the credibility index is also not immune from criticism. It is alleged that the sample size is too small to allow a grandiose generalisation. Besides, the subjective nature of the constructed index also came under severe attack. In the backdrop of all these limitations, quite obviously, research should continue to hunt for the political pins that might prick economic growth. It would be in the interest of Bangladesh also that researchers come out with the particular political problem that is likely to sting the economic performance.

The general notion that political disturbances afflict economic growth does very little help. The perennial question is which, when and how? The available evidence tend to show that the system of government might not have a close link with economic growth. Developing countries should make attempts to raise the credibility index and minimise the instability index.

To the Editor...

Foreign currency rates

Sir, I read with interest Mr O H Kabir's letter on this subject published in your 4th of July issue. He wanted to know how the exchange rate of a currency is determined. It is also intriguing that although Japan is an economic superpower its currency, the Yen, is worth only 39 paisa, and one Kuwaiti Dinar is equivalent to a fabulous sum of Tk 139 although that country was battered by Iraq not long ago.

I don't know how to put in a language plain enough to make it readily intelligible. There are a number of theories that try to explain the rationale for exchange rate relationships of the world currencies.

Among them are: balance of payments - the all-pervading demand and supply and the classical purchasing power parity theories. I don't want to get into a discussion of these theories. What I want to say is that the strength or the weakness of the currency of a country depends on its economic performance demonstrated by such macro-economic indicators as growth of output, balance of payments and rates of inflation.

Before World War II a pound sterling was worth over 4 US dollars. By now it has reached the equivalent of only about 1.60 dollar reflecting the poorer progress of British economy in comparison to that of the USA. Again, Japan has outperformed the mighty USA in the last two decades changing the ratio of Japanese Yen to the US Dollar from 350 to a little over 100 Yens. The value of our Taka has plummeted in relation to most currencies including even the weakened sterling as a result of our poor economic performance, reflected by stagnancy in growth, widespread poverty and inflationary pressures.

About the intriguing equation of Kuwaiti Dinar and Japanese Yen vis-a-vis our own Taka, I can only say that monetary units in different countries provide only money illusions. Yen is a unit - a very small unit of otherwise strong Japanese money. Dinar is also a unit - a bigger unit though - of Kuwait. These are mere accounting units and should not be construed as reflecting their relative strengths. For instance, if Bangladesh were to change the unit from Taka to Paisha, a year would be worth 39 units of our currency; a cup of tea in the restaurant round the corner would perhaps cost

300 Paisha rather than 3 Taka. The larger number of units would not make you any better off worse but will give you some money illusions.

It is an over-simplified version of an otherwise complex topic. I don't like to sound patronising but if Mr Kabir wants to have a closer look he may like to read a modest book entitled 'Foreign Exchange and International Finance.' It is available in libraries but I would be happy to lend him one.

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Garbage

Sir, Dhaka City Corporation, the vanguard of cleanliness and hygiene has decided and already started filling up the Khilgaon/Rampura lake with garbage. We can now look forward to a decade of disease, smell and fall of all property values in and around these areas.

Khilgaon Rehabilitation Zone is a planned area and it developed over the last 30 years. Affected people from the building of Kamalapur railway station and other areas of Dhaka were rehabilitated in this area. The Khilgaon area is a densely populated area with newly built flats and independent houses. Inhabitants of this area have invested a good part of their lives making this a habitable environment. Once the garbage starts to pile up, the whole neighbourhood will become unlivable. It will be difficult for the house owners to stay here let alone rent out their houses/flats for the repayment of building loans. The question is whether the city corporation is within its rights to do what they are doing? Can the corporation bring to ruins a perfectly habitable neighbourhood that has been paying urban taxes? Or does the mayor think that these areas are inhabited by people who are not worth thinking about?

This whole process is unheard of in any decent society. If the government plans to fill up the lakes and turn them into plots it can always do so but the filling material must be earth, not garbage. I am sure the city corporation will not dare do anything of this sort in the Gulshan or Dhanmandi lakes. The process of dumping waste on the outskirts of the city is itself irresponsible. Now we are being told to live in the dump itself. I am earnestly requesting

the mayor of our city to kindly look into the matter and make amends. One cannot condemn a wholly functional neighbourhood of lacs of people to this kind of misery. It is irresponsible, callous, and unethical. The mayor of the city and the corporation have a responsibility to all. The people of these unfortunate areas are awaiting the mayor's quick intervention.

Asfarul Islam
Khilgaon, Dhaka

Congratulations

Sir, In a meeting recently held, the Bangladesh Agricultural Institute Teachers' Association has congratulated Sheikh Hasina on her assumption of the office of the Prime Minister. The members of the association wished her success in discharging her responsibilities as head of the state. They also conveyed their thanks and gratitude to the Prime Minister and her government for giving top priority to the agri-sector in the country's development programme. The members expressed their hope that Bangladesh will achieve progress in every sphere of its socio-economic disciplines under the leadership of the Prime Minister.

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To the Prime Minister

Sir, Prime Minister Sheikh Hasina, after being elected, declared that her first job in the office would be to eliminate terrorism, and during her election campaign also, she had stressed on this point. But now we see that instead of declining, terrorist acts have increased manifold.

For the last two years there was political unrest in the country, and crimes happening at that time were thought upon as culprits taking advantage of the unsettled condition. But why is it now happening with renewed force puzzles us.

Nobody is feeling safe now-a-days. On July 5, '96 a daring dacoity was committed in broad daylight at Apollo Shop Centre in Chittagong. It was alleged that policemen on duty remained inactive. Almost every day there are news about murder, dacoity, hijacking and many other sorts

Government of National Consensus Some Thoughts

by Mahfuz Anam

(Continued from before)

In the two previous installments (published on 16 and 17 July) we discussed how it was wrong for the Awami League to call its government one of national consensus and how, on the contrary, it was equally wrong for the BNP to reject the potential of this idea outright and call it a camouflaged attempt to introduce one party rule. We also pointed out that by offering cabinet posts to other parties and allowing them to continue to sit in the opposition, Sheikh Hasina's government was in fact trying something quite new.

We argued that given the enormous socio-economic problems of the country, and the acute developmental challenges that we faced, it was not possible for any one party to run the country without the support of the opposition. Therefore it was necessary for the present and all future ruling parties to reach out to the others while governing the country. It is Sheikh Hasina's offer of cabinet posts to JP, JSD and finally to BNP a move based on the above realisation? Only time will tell.

As we had argued earlier, there are two ways of looking at Sheikh Hasina's offer. First to see it as a move to keep BNP isolated, as it was while in power. The other was to see it as a genuine and sincere move to form some sort of a united approach towards running the country.

Instead of trying to get everybody 'inside the cabinet', AL must concentrate on trying to get everybody 'inside policies'. It means that no effort should be spared in getting views and opinions of all political forces and genuinely attempting to incorporate them in policies.

The cynical interpretation can't be brushed aside, given the long history of rivalry between our political parties, especially AL and BNP. Suddenly to expect the opposition to accept everything that AL says on face value is politically naive, and in fact may be dangerous, especially for BNP. Therefore AL will have to earn its trust of others, for which its performance will have to be judged over a period of time. In other words AL has to give time for trust to grow, and not try to impose its own ideas and thoughts in a hurry. Time is also necessary for the people to attribute credibility in the genuineness of the AL move.

Judged from this context, AL's attempt to start calling its government as one of national consensus was highly premature. BNP's reaction to it was natural and justified as it appeared to be thrust upon them by a coalition of AL, JP and JSD.

For us the most important criterion for judging any issue is to ask, is it good for the country or bad? We do not see

to the extent possible, incorporated in the final policy.

This consensus seeking effort must also be very transparent. Examples galore in our country where opinion once sought are thrown into the dustbin no sooner they are given. This is so because decision had already been finalized and the show of discussion was meant only for public consumption. It will be very damaging for the government to get this image. The way to prevent giving such impressions is to share with the people the different views that come from the public, especially from the opposition. Government should then explain which ones it accepts, and for what reasons, and which ones it does not, and again for what reasons. Such an open process will go a long way in building a sense of consensus in the public mind which even the opposition will not dare ignore, or do so at a great risk to its own credibility.

We commend the government for so far trying to involve the BNP in two major policy formulation efforts - budget preparation and seminar on fighting terrorism. BNP turned down invitations to both saying that since there is the parliament, it is there that it will participate in whatever discussion there has to be. In fact there was statement in the parliament by a BNP member terming the Home Minister's

earn its trust. It cannot expect it to be there just because it wants it.

The most important step for the treasury bench to take in order to start a genuine process of consensus building is to set up, without any unnecessary delay, the various PARLIAMENTARY COMMITTEES and start their sessions. Allow the fullest participation of the opposition members in these committees, many of which they should be made to head. Also arrange to hold public hearings by these Committees. Invite all experts, research bodies and Think Tanks in these hearings and publicize the outcome through the media. For special hearings, hold them on TV and radio with the possibility of phone-in participation by the viewers. This would allow intellectual and professional communities can participate in the CONSENSUS PROCESS, not only just the political opposition. In fact more open and wide-spread the process - both inside and outside the parliament - more will be the pressure on all sides to play the game by the book, and not go out on all sorts of tangents.

We conclude by cautioning the ruling party not to get sidetracked by creating unnecessary debate on whether this is a government of national consensus or not. Let actions speak louder than words.

(Concluded)

Art Buchwald's COLUMN

Soft Money Politics

AMERICANS are getting more and more cynical about their elections. They believe that money buys politicians, and those who give the most get the most back if their man wins. It's more complicated than that.

The dollars that interest groups shower down from heaven are called "soft money." It looks and feels like hard money, but when you spread it around it smells more like political fertilizer.

I have Time magazine to thank for these numbers. Bob Dole got \$9.75, 149 from Philip Morris. Before you jump to the conclusion that Dole would become a pro-tobacco president just because of these donations, you are wrong. Bob has always been a pro-nicotine kind of guy, ever since he received free cigarettes in World War II.

RJR Nabisco gave \$6,96,450 in soft money. The contribution was not to further its cigarette business but to protect its Oreos and Fig Newtons. Dole heard the message and has promised that, come hell or high water, he will keep the Food and Drug Administration from meddling with the cookie business.

AT&T contributed \$3,52,000 and Atlantic Richfield \$2,82,172. Once again, the soft money was not for the phone industry nor the gasoline industry has any interest in getting favours from a Republican administration.

I am happy to report that the Democrats are not accepting soft money for political reasons. They took \$1.8 million in 1995 from the trial lawyers, which is no big deal. Why the heavy donation from this profession? Well, Hillary Clinton is a lawyer, as is the president, and when it comes to soft money you have to support your own. As one lawyer explained it, "The contribution was an investment because we'll get it back from all the Wincover trials."

Besides lawyers, the Democrats got a \$3,03,480 donation from AT&T and \$2,15,250 from Anheuser-Busch. These are just a few of the soft-money contributions in the news at the moment. They don't give you any idea of how many actual dollars are being raised by the parties to elect their candidate. We're talking about fund-raising dinners and what people are paying to rub shoulders with President Clinton and Bob Dole. Each rub over \$10,000 translates into a future favour.

Both parties deny that soft money guarantees access to the government. "We only accept the money because people want to give it, and if we don't take it, their feelings will be hurt," a soft-money collector told me.

"We could run this campaign without contributions from the lobbyists, but it would take all the fun out of it for the donors. It would also mean that Dole and Clinton might never have an opportunity to meet the real people who can help them run the country."

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