The Baily Star

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On the Deportation Row

With the launching of Malaysia's drive against illegal migrant workers, the deportation of the Bangladeshis among them is expected anytime now. Yesterday's report put the figure of Bangladesh nationals hauled into different camps in Malaysia for deportation at 1075. No doubt, the number is going to increase with the intensification of the drive. Although no source has been able to keep count of the illegal Bangladeshi workers in Malaysia, it is possible that thousands had sneaked into that country, hoping to get berths in a country riding on a crest of sustained economic boom.

The point we would like to make very strongly is that the deportation issue should in no way be a cause for hurting the friendly and warm relations between Kuala Lumpur and Dhaka. That South East Asian nation has always stood by us in weal and woes. Indeed, Malaysia warned us of the measure long ago and gave ample time for the illegal migrant workers to avail of the opportunity for amnesty and regularise their documents for a legal stay in that country. The blame is squarely on the workers because it is they who opted for the illegal entry through the help of unauthorised manpower agencies.

We do not know if the Malaysian prime minister's assurance to our foreign minister in New Delhi that the cases of illegal Bangladeshi migrant workers will receive some consideration would have its reflection on the on-going drive. But one thing is clear that those being rounded up into camps have little chance of getting any concession.

The situation on the whole is yet to be clear to give an authentic picture of the fate that awaits our illegal migrant workers. It is, however, quite assuring to know that our high commission in Malaysia is closely observing the developments in relation to our illegal migrants there. Since the deadline for seeking mercy for them has already expired, the best that our government can do is to arrange for a smooth return to our country of those who eventually get deported. Once they are back, let them be enlisted for jobs according to their acquired skills either at home or abroad as soon as possible.

Donor Unhappiness

The major donor agencies and countries in a recent critique over Bangladesh's poor performance in project preparation and implementation have urged action to shore up the situation. That would enable them to channel more funds to Bangladesh, they said in what amounted to a reminder of the aid pipeline bulge that has occurred from time to time in regard to Bangladesh.

The WB, ADB and Japan waxed critical of 'the works never starting immediately after signing of loan or project agreements' owing to the 'unnecessarily' long time taken in processing tender documents and preparing projects. A senior ERD official gave the Bangladesh side of the version thus: The government had too little involvement in project preparation because in most cases the consultants were doing this job'. While he may have a point there, our concern is that if his observation were taken literally then its implication would be that we have abandoned our right to exercise any writ over the consultants, the foreign consultants in particular. The consultants must be working under certain specified terms of reference with a time-frame to deliver on their assignments as an integral feature of it. Tender processing is a technical follow-up on loan or project agreements. Why should there be any delay in meeting this formality if the contents of the project were well-defined in the first place?

If in the past, considerations other than economic had crept in, like for example, granting political favours for the nurture of certain high-profile constituencies etc. those must be scrupulously avoided by a government that stands professedly committed to a fair deal.

Some of our specific pitfalls mentioned by the WB deserve credence and redressal. The key staff must be in place before the project- commencement and highly specialised among them retained for a reasonable number of years, say, three to four years. The appalling lack of advance procurement planning has to be overcome simultaneously.

It's a pity that contrary to a well-publicised notion, project directors are yet to enjoy adequate administrative and financial powers.

Imran's Walk-over Dream?

In the otherwise mercurial politics of Pakistan there is a beguiling constancy factor: deliver the knock-out punch against opponents not at the polling booth but on a media hype. Sometimes in fierce defence of personal honour or integrity coming under an attempted slur or at other times as part of a campaign offensive. The stake is quite truly high in a kind of politics that is sizzling with speculations feeding on the administrative authorities' clean-up drive and the political party leaders' unabating vitriol against one another.

In a triangular look of things, Imran Khan has made a sweeping demand before the Pakistan Election Commission to disqualify former prime ministers Benazir Bhutto and Nawaz Sharif from participation at the February polls. This has been in reaction to the allegations the two front-runners recently made against Imran Khan that he had received 50 million pound sterling from his business magnet father-in-law James Gold Smith. The implication is that this money could be used for bolstering Imran and his Tehreek-i-Insaaf Party in the polls. Although the Egyptian newspaper which published the report recanted apologising for it, Imran's opponents were quick to cash in on it.

Details apart, Imran's clamouring for an EC order to declare the two top Pakistani leaders disqualified from the election boils down to his courting a walk-over at the polls. Could he then be dreaming of riding straight to the PM's office without a contest?

Loopholes in the Stock Market

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IILE the country was

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Jubilee of its indepe-

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tural activities, its capital'

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dation, as it were. The share

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lowing this, the share buyers in

the Kerb market attacked the

bourses and seized the stock ex-

change buildings which invited

police action. Ugly and violent

scenes developed which turned

the money-making euphoria

into deep disappointments.

Holding of street rallies and

meetings, and presenting char-

ter of demands to the Dhaka

Stock Exchange (DSE), the Se-

curities Exchange Commission

(SEC) and the government be-

came the regular events of the

subsequent period. For a few

days, stock exchanges were

closed down and opened again

later in an attempt to nor-

Rise and Fall of

Share Prices

and fall of share prices? The

Dhaka Stock Exchange's All

Share Price Index (ASPI)

reached its all time high of 3627

on November 16, 1996, from

about 900 at the beginning of

September, which fell to

3011.96 on December 1, 1996,

and then to its lowest point of

2241 on December 22, 1996.

Whether one euphemistically

calls it a price correction or a

crash in blunt language, the fact

is that the DSE's ASPI fell by

about 38 per cent from its peak

level in a matter of about 5

weeks. This fall would have

been within a much shorter

What was the extent of rise

malise the situation.

some relaxations. However, the "Black October" crash in 1987 in New York Stock Exchange was only by about 20 per cent which had a world wide effect on all stock exchanges. Within the financial sector of the United States, especially in New York, there was something like a job loss of about 10,000 at various levels and called for a number of adjustment measures in the brokerage business. The effect on the real sector was somewhat marginal since, as the economists pointed out then, the marginal propensity to consume out of changes in capital was in the neighbourhood of 0.06 about However, although no one has done any research on the extent of adverse effects that the December 1996 crash had on Bangladesh economy, from conversations with the bankers, one comes to realise that the financial sector was badly affected as is indicated by the liquidity crisis that these institutions have been facing since October, 1996, due to cash withdrawal by the depositors for investing in stocks. The interesting point that should be noted here is that people who have made bulk of the money by selling their shares did not redeposit their cash to the banks as yet, and no one knows

future for fear of exposure. Was it the Normal Supply and Demand Gap?

whether they will ever do so in

The question that one wants to ask is whether the abnormal price rise of shares was simply due to the excess of demand over

supply of shares, which some people wanted to assert. This issue has been discussed by almost all the writers on the subject (including this writer) saying that there are a number of factors that gave rise to such phenomenal price rise, not the demand and supply gap only. What most of the observers and newspaper commentators have pointed out is that there were price manipulations" and "insiders' trading" by powerful brokers.

There were also some reports published in a number of local

major ones who sold in bulk in the month of October shares of about 20 blue chip companies to about 50 buyers, large and small, which included themselves. One would like to point out that such behaviour smacks of a cartel like behaviour which is not permitted in a stock market since it lead to, knowingly or unknowingly, price manipulations. What is far worse is the fact that some of these brokers are also the elected members of the council who are supposed to formulate policies and not take advantage

newspapers, (The Financial Exof their official position to INSIGHT Kabir U Ahmad

press and Bhorer Kagoj), saying that some foreigner, who came and stayed about a month and in collaboration with some local brokers and share dealers, managed to push up the share prices and sold a large bulk at those high prices. After making a fortune, he left the country. This is a serious charge and should be officially investigated, the results of which should be published for the benefit of the general public.

However, The Financial Express, (Dated January 1, 1997, page 7), published a long table under the title "Bulk Transactions on DSE by Top Five Brokers, for the month of October. A hard look at this table shows that there were about 10 DSE brokers out of whom about 6

promote the interests of their private brokerage firms. Doing this becomes "insiders' trading which is clearly unethical and

The Roes of the Government and the SEC

illegal all over the world.

The government has set up two committees, one for recommending the appropriate actions on the "Circuit Breaker" and the other to investigate the small investors' charges of "price manipulations" and "insiders' trading" by the brokers. Since the role of the "Circuit Breaker" is to moderate or soften the rapidity of price rise or fall, the committee will not have much difficulty in reaching a conclusion and recommending appropriate actions.

But the second committee will have a difficult and longer time in settling the issue. One would like to make two observations

on this committee. In the first place, the committee ought to have been a judicial committee consisting of a senior judge as its Chairman so as to give it a legal authority. In the second place, whatever the committee's findings are, in case of need, the constitution or the Memorandum of Association of the DSE should be changed to forbid and make punishable the "insiders' trading" and "cartel like behaviour by any group of brokers which leads to price manipulations." These holes must be plugged for the normal growth of the securities market and to being back standards of ethics, transparency and accountability. If these holes are not plugged effectively, the stock market will remain a manipulators' haven, causing immense damage to the interests of the poor small investors.

The role of the SEC is to regulate the securities market Over the last three months, it does not seem to have been very effective in playing its role. This observation is based on three findings. In the first place, in the beginning of the phase of sharp upswing of prices, it delisted some companies, gave some information and warnings about fraudulent share certificates, and introduced "Circuit Breaker." These are good steps. But somewhat later in this phase, it said that the Kerb Market operations were illegal. Such an illegal operation should have been closed down. Even now at this stage of development, the SEC should take steps to close it down. All

place through the DSE floor trading and through the licensed trader. In the second place it issued the instruction that directors of the listed companies cannot be brokers as well. If it could implement this guideline. The brokers manipulations and insiders trading would have been stopped. But instead, it has postponed its implementation for six months. It gave the impression that the SEC has come under the influence of strong business lobbies, which may not be true but the effectiveness of the SEC's authority seems to have been compromised. In the third place, the SEC should remain above board on all issues, but there are complaints against the SEC from the stock exchanges. It looks like the stock exchanges do not understand the legal role of the SEC. There is a need for making them understand this role. The government has been dragged into the role of the "Crisis Management" of the securities market directly which should have been avoided. The government should not be so directly involved in putting the house of the stock market in order. This is the responsibility of the SEC. In conclusion, there is a need

share transactions should take

for bringing the stock exchanges and the SEC closer to each other and removing all misunderstandings between them. The standards of ethics and fairness need to be established on the trading floor and efficiency in its operations and management should be promoted. If the loopholes of "price manipulations" and "insiders' trading" exist in the stock exchanges, there will be series of scandals in the future and the whole purpose of raising capital for industrialisation through stock market will eventually be defeated.

Chakma tribals from camps in

Deve Gowda's Visit to Bangladesh: Expecting Positive Impacts

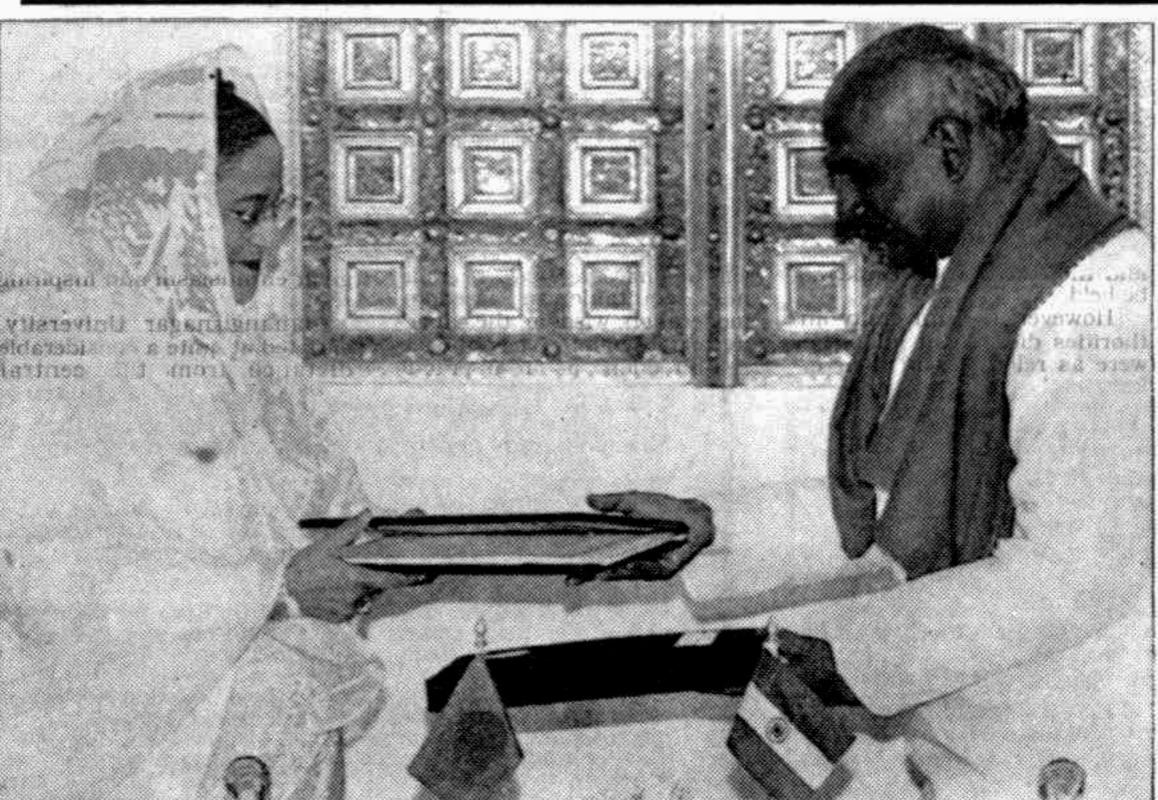
NDIAN Prime Minister Deve Gowda's two-day visit ▲ to Bangladesh from January 6 was on the cards after the signing of the 30-year water sharing treaty between India and Bangladesh on December 12, 1996. The visit was a possibility earlier on two counts — a ritualistic trip to Dhaka as a part of visit to SAARC countries since India is the current chairperson of the SAARC and a visit here synchronising the silver jubilee anniversary of the Victory Day. However, both the possibilities were somewhat inextricably linked with the water issue which was not resolved when the possibilities of his visit to this country was talked about. The water sharing problem has been settled with Mr Gowda and his Bangladesh counterpart Sheikh Hasina signing the treaty - acclaimed as "historic" by both the countries — and this has removed the main irritant in the Dhaka-New Delhi relationship.

Bilateral ties is often characteristically described by two countries as marked by "good neighbourliness" - an euphemism that they are broadly "all right" but not free from trouble. There is no denying that relations have often been bedevilled by certain inherent mistrust and existence of outstanding issues - the water problem being the main one. After two new governments took over in both the countries in 1996, a flurry of diplomatic activities raised hopes for a solution of the nagging water issue but scepticism did exist whether the vexed matter would finally be solved or not till the dates of the visit of Bangladesh prime minister to India was announced. The uncertainty owed to the complexities involved in the problem. But the issue was clinched - thanks to the maturity demonstrated by the leadership of the two governments.

The treaty has been acclaimed but it is not without criticisms. What is noteworthy is that it has removed the irritant and has opened up the stage for a better relationship. The resolution of the water problem is credited with the success of resolving a problem proved intractable for a long time. Against this backdrop, the visit of Mr Deve Gowda within the first week of the new year is the most opportune time to provide a filliph to Dhaka-New Delhi ties and this may work as a catalyst to improvement of the relationship even though there should be no euphoria that the Indo-Bangladesh relations are full of roses.

Before coming into the state of bilateral ties and the likely outcome of the talks that Mr.

Mr. Deve Gowda has been to two foreign trips earlier and both were in the multilateral context — to Harare and to Rome. This appears to be his first visit on a bilateral plane. The visit will have a positive impact on the ties — following the settlement of the water problem — if it can generate more goodwill from this country, writes Zaglul A Chowhury.



Prime Minister Sheikh Hasina of Bangladesh and Prime Minister Deve Gowda of India in New Delhi: Reaching the historic agreement on sharing of the Ganges water.

Prime Minister Sheikh Hasina. it will be pertinent to give a background of the present Indian prime minister, who rather dramatically occupied the high office from the South Block in the midst of a political confusion that persisted in the aftermath of the resignation of the BJP government headed by Atal Bihari Vajpayee after its briefest spell in the Indian his-

All the Indian prime ministers - Pundit Jawharlal Nehru, Lal Bahadur Sastri, Indira Gandhi, Morarji Desai, Rajiv Gandhi, VP Singh and PV Narasimha Rao were national figures and some of them were very charismatic. If an analogy is drawn between Mr Deve Gowda, who was the chief minister of southern Karnataka state before being catapulted to the position of the head of federal government, and his predecessors — there should be no gainsaying the fact that he did not much figure in that category of national reputation before occupying that position. Bashful and simple mannered Mr. Gowda lacks the image of most of the former prime ministers of India. His condition has been further compounded by the fact that he has been walking a po-

heading a 13-party United Front government — his Janata Dal being the driving force behind the coalition. The front depends heavily for its survival on the Congress that lost the last elections but supports the present government. There are differences within the coalition and a constant threat exists from the Congress that it may withdraw support to the government causing its collapse. This threat has become somewhat more serious after Congress President Mr. Sitaram Kesri has become the leader of the Congress parliamentary party replacing Mr. Narashima Rao, who wanted to prop up the coalition and even had said that Congress support to the UF government will be

there for full five-year term. Mr. Deve Gowda is conscious of the situation and has always sought to put up a brave face, saying there is nothing to worry about much. It is a claim which has few takers. Now that Mr. Kesri has become the leader of the parliamentary party of the Congress — a position that made him potential prime minister of the country if the party happens to form the government — the cloud of uncertainty on the government has become litical tightrope eversince he is little more darker since he is gal's charismatic communist nomic fronts. The return of the country.

known to be as less favourably disposed to the issue of support to the government. Moreover, 80-year-old Mr Kesri obviously nurtures the aspiration of becoming the prime minister of the country and is believed to be looking for an opportunity to pull the carpet from under the feet of the Deve Gowda government. However, Mr. Kesri has denied this immediately after becoming the leader of the party in parliament, scotching speculations in this regard.

It is plausible since Indian electorate will not want fresh elections so soon or for that matter any manouvering in pulling down the government and bring Congress to power with new kind of political exigencies will not be welcomed by people. So, Mr Kesri and

Congress have to wait. Mr Gowda has his predicaments but he has shown remarkable ability to hold on the coalition and remain firm in the saddle. Essentially confined to Karnataka politics, he did not shy away when called upon to take the responsibility of the leadership of the largest democratic government in the world. Providence plays an important part in shaping the destiny of the politicians. Had West Ben-

eief Minister Jyoti Basu not been lenied by his CPI (M) to become the prime minister of the Gowda wild have remained engrossed the state parameters. So far has weathered problems in sown Janata Dal which is full wellknown political figures of India, and skilfully tackled the differences within the front. He succeeded in bringing the communists for the first time in the federal government of India by making veteran CPI parliamentarian Inderjit Gupta the home minister. Here, he could show his decisive mind turning down the reservations of the Congress — which soports his govern-ment — in naking Mr. Gupta the power all home minister. Mr he had to dismiss a state minisom his own party in the calition government when it came to fore that the minister nexus with criminal

Besides, his strength lies in the fact that his minority government has made good choices for key positions like scholarly IK Gujral, known for his soft views to the smaller neighbours of India. The government is not being discredited with any big mismanagement in the country.

But his biggest achievement in the sphere of relationship with other nations is definitely the resolution of the water problem with neighbouring Bangladesh. It is generally assumed here that prime minister Gowda might have played a less important role in the matter compared to others like the West Bengal chief minister Mr. Basu or external affairs minister Mr Guiral. It will be naive to think that Mr. Gowda was not abrest of pros and cons of the matter. Coming from Karnataka he is also otherwise familiar with water issue as his state Janata Dal government has a dispute with the adjacent Andra Pradesh government on water although the ruling Telegu Desam there supports the federal government in New Delhi. Mr Gowda must have given the 'green-signal' to the settlement of the water problem with Bangladesh after being convinced about its beneficial aspects for both sides. Hence his visit here close on the heels of the resolution of the dispute is timely.

But the Indian prime minister has other issues to sort out here both on political and eco-

south Tripura remains to be settled and this is expected to be discussed in great detail when he is here. The tribal refugees have returned to their homes in Bangladesh in two batches but the repatriation process is stalled for two years. More than five thousand refugees are back here but many more are left in the camps. Mr Ramesh Bhandari, who was the Governor of Tripura state two years ago and now is the Governor of Uttar Pradesh, had facilitated successful talks with the then Bangladesh government to initiate the return of these refugees. But the process needs to be resumed removing bottlenecks. It is linked with overall settlement of Chittagong hill tracts problem. India can play a more meaningful role in easing tensions in the area and contribute to the success of the ongoing talks between political leadership of the 'Shanti Bahini and the national committee towards a lasting peace

It is assumed that feelings exist in several quarters in both countries — governments not excluded — that territories of two countries are being used for subversive activities against the other. Despite official statements on both sides that it is not done, few believe the official line. An Indian official spokesman said in New Delhi other day that his government feels Bangladesh's assistance to such activities is "on the wane of late." Bangladesh may feel that absence of any form of assistance to the tribals along the CHT may help resolve the problem there.

Then there are trade imbalance and other economic issues which both prime ministers are expected to discuss and also the water management on a larger cooperative endeavour in the region now that "Farakka" issue is resolved. There are other issues as well to talk about on bilateral context although the visit is described as

of "goodwill" nature. And of course the muchtalked about "transit" issue may figure in the talks although India said that it has no such demand from Bangladesh which has to decide about this. Many eyes will evidently be cast on this issue and what the two leaders think about this.

Mr. Deve Gowda has been to two foreign trips earlier and both were in the multilateral context — to Harare and to Rome. This appears to be his first visit on a bilateral plane. The visit will have a positive impact on the ties - following the settlement of the water problem - if it can generate more goodwill from this

ment of "consensus" as declared

by our Prime Minister is defi-

nitely unconstitutional as it is

not in conformity with the con-

cept of parliamentary democ-

racy and hence the Prime Min-

ister is liable to face charges of

distroying the very basics of our

constitution. The very concept

of consensus government is in

Develop or die

Sir. Two of the main points of the historic 6-point demand were autonomy and economic emancipation. In 1956, all the Bengalis supported the points because the then West Pakistanis were depriving the then East Pakistanis in all respects. There was no industry and no employment opportunities. The farmers were not getting any input at subsidised rates. The then Prime Minister of Pakistan late Hussain Shahid Suhrawardy pressed the central government to recruit East Pakistanis on quota system.

It was only after the introduction of quota system, some East Pakistanis got employment in central and Military services. This disparity to the Pakistanis forced them to think about a separate independent state.

We have just completed 25 years as an independent state. Let us assess our achievements during the last 25 years. We have discussed a lot and talked about democracy all the time. If we have really loved the country, we should now talk about economic emancipation.

There is no time to hold seminars and meetings. Everybody irrespective of ideologies should go for action plans now. During the last 25 years we could not raise our GDP to 7 per cent. The government should identify the area of action and should go ahead with the work. removing all barriers on the way. The official formalities should be reduced, otherwise the process of development will remain in darkness for another 25 years. Let there be no difference regarding development. Poverty alleviation should be a must for the government.

The people have accepted this programme. Let there be a consensus on this programme too. The other day the Indonesian president appealed to his country's rich people to contribute 2 per cent of their profit for poverty alleviation.

Zakat is compulsory for well-off. It people come forward to pay actual Zakat to the state fund, it can be utilised for poverty alleviation.

I would request the Islamic thinkers to think over the matter. Poverty has become a global curse. In order to remove the curse of poverty, we should go for massive development work. Let the slogan for the year be develop or die.

Mahbubul Haque Chowdhury 153, Lake Ctrcus Kalabaghan, Dhaka

The constitutional process in Bangladesh

Sir. The constitution of the Peoples Republic of Bangladesh was amended and parliamentary system was introduced by the Parliament which came into existence after the fall of the military junta Lt General Ershad. He master-minded the coup, toppling the elected government and all the elections organised by the Ershad were farce, as the ballot boxes were under the direct control of the civilian faction of the military junta which absolutely de-

stroyed the very institution of elections by massive rigging Even the ballot boxes were removed from the polling booths and were taken to a secure place to be filled up with ballot papers never supplied to the Polling Of-

ficers and the national media was made to announce the results of the elections even before the counting was com-

The terror of elections or ganised by the Jatiyo Party when it was at the helm has absolutely diminished the chances of any democratic elec-

tions in this country. Still, the legacy remains The democratically elected government that followed the antocratic rule also tried to control the polling system which led to demand for the Care Taker government to conduct elections which was eventually conceded to and election held under a Care Taker government. Whether it was neutral or partisan we are not sure. History gave the judgement and brought the AL into power. The formula of the govern-

direct conflict with the very concept of parliamentary ethos. In a parliamentary government, the majority party forms the government or there may be a coalition government. This consensus must end if Awami League wants the democratic process to continue which the

Prime Minister always assured

the nation. Al Haj S M Khalid Chowhdury

Dhaka