

# A Call for Monetary Cooperation

by Dr A R Chowdhury

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## Another Wake-up Call

Our pride in water-fed abundance and sylvan fertility may be a little hurt by Bangladesh's ranking on the just-released Human Development and Human Poverty Indices of the United Nations Development Programme (UNDP). Bangladesh's position on the Human Poverty Index based on child mortality rate under age five, health service status, potable water availability and illiteracy is the worst among five South Asian countries with Sri Lanka topping on the positive side. Our global standing on the Human Development Index is slightly better; it is 144th among 175 developed and developing countries and 67th on the list of developing countries. The measures applied in the case of Human Development Index (HDI) are life expectancy, educational attainment and the real income level.

On the HDI rankings India (138th) and Pakistan (139th) are slightly better off than Bangladesh (144th), but Sri Lanka with her ninety-first position is way up on the table. This is something we need plumbing deep into for a focused understanding of our own strong points and shortcomings. Knowledge may be lying near home.

Bangladesh's diminishing self-esteem and choices are ascribed to be factors perpetuating poverty amongst her people. The magnitude of rural pauperisation can be comprehended from the fact that the number of people below poverty line exceeded 65 million in the mid-90s compared with 30 million in the sixties.

Our self-esteem needn't have gone down especially over the last few years with our resounding success in micro-credit operations which is being modelled upon elsewhere in the world. That the poor have in themselves an intrinsic power to eradicate poverty is a proven fact. Given the right choices and tools they can turn a corner much more convincingly than the well-to-do seem capable of. In fact, they reap much better dividends in personal terms on the investments made on them and also ensure greater returns to the investors themselves. All they need to be a part of is participatory planning and implementation processes. A radically increased literacy rate within a three-year time-frame coupled with the harnessing of an appropriately reformed local self-government system can do wonders.

## Let Govt Lead the Way

Concerns expressed at the unabated increase in the level of black smoke spewn by automobiles and repeated appeals for government measures to curb it have often fallen on deaf ears. Just at the moment the exasperation was about to cross tolerable limits, we are pleasantly surprised to know that the government has come up with four specific measures to fight the environmental pollution by emission of black smoke. The most telling measure concerns turning automobile fuel free of lead. How this will be done and to what extent is not clear but we can presume that the job will be accomplished to conform to the internationally-accepted level.

Environment Minister Sajeda Chowdhury who informed the Jatiya Sangsad of the government measures went on to elaborate the last point of the four-point programme. According to her, all government vehicles now using petrol and diesel would in the first phase be converted into the Compressed Natural Gas (CNG) system. This is certainly a big step towards reducing the pollution caused by automobiles of the country. Our experiences say that the government vehicles have so far remained the worst culprit in the matter of environmental pollution. So the government has pointed at its own weak point to cure the malaise. If it can really make its fleet of vehicles pollution-free, the government will be in a position to lead the campaign from the front.

This much is clear; what is less so is the enforcement of the provision in regard to the private vehicles. This is where the challenge lies. Pressing more double-decker buses into service on city roads and strict issuance of fitness certificate for vehicles — and other two measures — are sure to complement the fuel's lead-freeing and CNG systems. But those will not address the problem of the private vehicles. To ensure full fitness, irregularities and corruption at the issuance and monitoring levels have to be eliminated. When a project that seeks to issue foolproof licences to genuine drivers remained inexplicably stalled there is doubt that any supervisory mechanism backed by sophisticated machine or machines will be easily allowed to function. The enforcers must first of all be exorcised from their vices.

## Please, Stem the Rot

There is nothing new in students going berserk and attacking the very teachers at whose feet they have taken lessons, in the face of opposition to adoption of unfair means. But the latest trend is more for establishment of the claim as a right than just an aberration in the system of education. Following a number of such incidents in different educational institutions of the country, the other day a group of students of Rangpur Polytechnic Institute turned into bullies to assault teachers, confined two magistrates in a room for about four hours, set the office and workshop of the institute and some residential quarters of teachers on fire. All because the two magistrates prevented them from adopting unfair means in their course final examinations.

If this is how the students want to go about the learning business, we should better close such educational institutions rather than turning them into breeding centres for thugs. Now that the disease is fast spreading, can we think of some really effective deterrence? In the Rangpur Polytechnic incident the involved so-called students are not very difficult to identify. They should be given exemplary punishment so that any would-be student-cum-mastan think twice before attacking his teacher or an invigilator. Unless this is done, this might spread like acid-throwing in society. We can ill-afford this.

ANGLADESH, India, Sri Lanka, and Thailand have just launched a new economic alliance to bolster trade and economic cooperation in the region. Our State Minister for Foreign Affairs deserves credit for seizing the opportunity in initiating the process and guiding it to its fruitful conclusion. The possible areas of cooperation among these four countries are trade, industry, investment, human resources development and transportation.

The strong linkages among these economies forged by the increased relative importance of international trade and international flow of capital and labour have created greater mutual dependence. This dependence as well as the incentive arising from the opportunity to share potential gains or to avoid potential losses have induced such cooperation among these four countries. The gains from potential economic cooperation for the countries in this bloc can be immense.

Although the new economic bloc calls for cooperation in several macroeconomic areas, no mention has been made regarding any cooperation among the monetary authorities in these four countries.

In the past few years, the globalisation of financial mar-

kets has forced monetary authorities in various countries in this region to begin a serious effort to find common grounds for monetary cooperation and to arrange some sort of coordinated policy on exchange rates.

Recent events in Thailand — one of the countries in the new economic bloc — underscores the importance of such monetary cooperation. In 1995, monetary authorities of Australia, Hong Kong, Indonesia, Malaysia, and Thailand signed a treaty to help each other out during periods of currency turmoil. Recent events in Thailand have put the treaty countries to a test. Thailand's economy during the last several months have been in a mess. Its currency, the Baht, has come under heavy attack from currency speculators. Stock prices have declined by more than 50 per cent in the last year and half. Slow economic growth, beleaguered export sector, a large current-account deficit and a banking sector suffering under the weight of too many bad loans have made the economic situation even worse.

The Thai crisis has been the first test of the mechanism set forth by the agreements among the various monetary authorities in 1995. The intervention by the central banks in mid-May to support the Thai currency has been hailed as a success. By making it appear that the central banks in the region are united in defending the Baht, it gave the currency traders pause for thought.

For now, the government's efforts to defend the Baht with foreign exchange intervention appear to have worked. The offensive strike by Thailand's neighbours over as much as currency-support pacts among them as to their self-interest. A successful attack against the Baht by currency speculators — one that would make defense of the currency too costly — could have a devastating impact on most of the South-east Asian economies. Hence, by intervening in the Thai currency crisis, these countries have not only helped the Thai Baht, but also protected their own economies from uncertainties. Failure of Thailand's currency policy would have led to a capital flight from Malaysia, Indonesia, the Philippines and other countries in the region because foreign investors don't make much distinction between these countries. The capital flight would have pushed up interest rates and slowed economic growth in the region.

The four countries signing the new economic cooperation agreement can learn from this event and use it to their advantage.

The central banks in these four countries can coordinate their policies to maintain stability in their respective currencies and the region's banking system. The bilateral agreement would allow the central banks to borrow from each other to bolster their reserves in times of crisis. For instance, under the repurchase agreements, a central bank in the economic bloc could borrow international securities from another central bank in the bloc in order to boost its foreign currency reserve. The borrowing central bank can use the loan for any purpose but the aim

would be to keep the currencies in the region stable.

Under such an agreement, it would be more convenient for the central banks in the region to arrange financing to protect their currencies. However, it should be made clear that the agreements would not be a carte blanche for central banks to tap into the resources of their neighbours, as the potential lender would have the right to refuse a loan. For the provider of that liquidity to be satisfied, they have to have money to spare at the point in time to enter into the actual repurchase agreement.

This may be the beginning of a process that could lead to a regional multilateral financial authority. It would show that the central banks are ready to act in concert to help each other should their respective currencies come under attack from market speculators.

In recent months, the Bangladesh economy has been plagued by declining activity in the stock market, a banking sector hobbled by too many bad

loans, beleaguered export industries, and uncertainty among foreign investors. Unless the policy planners take steps to deal with the country's financial woes, the likelihood of currency speculators launching an attack on the value of Taka cannot be ruled out. One way of making a pre-emptive strike on such an attack would be to include the monetary authorities of the neighbouring countries as partners in this endeavour. The newly-formed economic bloc provides a golden opportunity for Bangladesh to increase the policy effectiveness of its monetary authorities by ushering a new era of cooperation among the bloc's central banks.

I, therefore, call upon the Minister of Finance, the Governor of the Bangladesh Bank, and the State Minister of Foreign Affairs to explore the possibility of cooperation among the central banks in these four countries in the specific area of maintaining exchange rate stability. As a starting point, I have suggested one important area of cooperation. Other potential areas of monetary policy coordination can also be identified and acted upon.

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## Power from the Barrel of a Gun

# Wanted: Army Training to End Coup Mentality

In most of the world, military rule has gone out of fashion. But the overthrow of civilian government in Sierra Leone after little more than a year shows that in west Africa the problem has not gone away. Gemini News Service explores a widespread need to reform the whole military culture. Derek Ingram writes from London

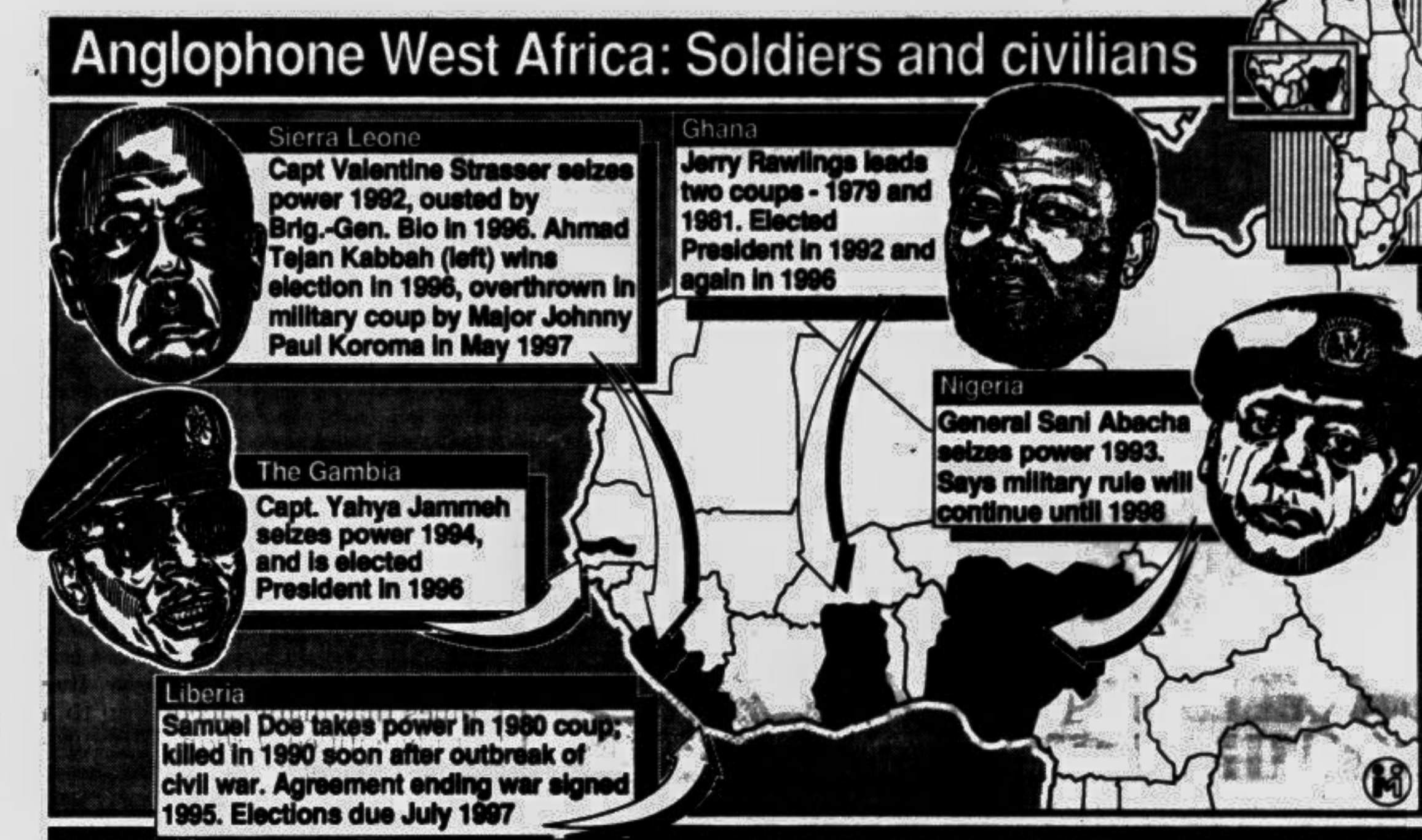
NOT for the first time, international failure to nurse a fragile democracy back to full health has led to its collapse. In Sierra Leone, people have been killed in another coup, government has collapsed, renewed civil war is threatened. The soldiers are changing again. It is back to square one.

In the world at large, military rule has gone out of fashion — but not in west Africa. Nigeria is still plagued by it. Ghana caught the disease, but appears to have been cured because of the astuteness of its military-turned-civilian ruler Jerry Rawlings. Liberia became a long-running disaster area and is only now struggling back. The Gambia has ended up being ruled by soldiers disguised as civilians.

Major Johnny Koroma, who a short time ago was in jail on charges of trying to seize power, apparently took over the latest coup in Sierra Leone after a group of privates had started the ball rolling.

He is the latest in a line of junior soldiers to lead a coup. Master Sergeant Samuel Doe in Liberia, Captain Valentine Strasser and then Brigadier Maada Bio in Sierra Leone, Lieutenant Yahya Jammeh in The Gambia. All were totally unknown figures inside their own countries. Let alone outside, before they sprang out of their military trappings.

If democracy is to take real root, political and constitutional institutions need to be nursed for years. One reasonably run election is not enough. Technical aid in electoral procedures and education of the



electorate requires patient persistence — and that means resources. The second and third elections are even more important than the first. But at least as important — perhaps the first priority — is the need to change the whole culture of the military.

The situation calls for international training missions to teach soldiers that the proper role of the military in a democ-

cracy is to stand aside from politics and support the elected government of the day.

In the developing world, the Indian army has always been a role model in this respect. Although India is a country of often turbulent politics, the army has never stepped out of line.

In Sierra Leone, the situation was doubly complicated. Only after the return to civilian rule in early 1996 was the civil

war — which had killed thousands — brought to an end by the signing of a peace agreement with the Revolutionary United Front (RUF) rebels led by Foday Sankoh (now in custody in Nigeria).

United Nations Secretary-General Kofi Annan wanted a 720-strong force of UN, Commonwealth and Organisation of African Unity (OAU) personnel to monitor the peace. But the

RUF objected, saying that would be breaking the terms of the accord.

The other problem is that governments will not provide the funding for preventive activity. The Commonwealth is a guarantor of the Sierra Leone peace accord, but it has no money to put monitoring personnel on the ground, and so does not know what is going on. It can only send the occasional official for short visits.

The international bodies and individual governments that have been pressing for "good governance" in the post-Cold War era come up with the necessary resources only when it is too late and events force them to act.

It is not good enough to give a bit of help to plan elections, send an observer group, give the election a pass mark and then go away. That should be just the beginning of the work to establish stable government.

The final report of the Commonwealth Observer Group for the presidential and parliamentary elections in Sierra Leone on 26-27 February, 1996, stated: "The institutions of democracy will need to be built up from scratch. The Commonwealth can help in this through technical assistance and by engaging the full range of Commonwealth institutions in support of democracy in Sierra Leone."

In practice, very little happened, not because the machinery was not there, but because governments were not forthcoming with the money to use it.

The setback to democracy in Sierra Leone is a serious blow to the Commonwealth Ministers Action Group (CRAG), consisting of eight foreign ministers, which is charged with furthering good governance and democracy in the Commonwealth. It had been concentrating its efforts on the military governments of Nigeria, The Gambia and Sierra Leone. Only in Sierra Leone had it appeared to make real progress.

In The Gambia, the military ruler held a flawed election and remained in power wearing civilian clothes, as have several rulers in francophone west Africa, such as Mathieu Kérékou in Benin.

When the foreign ministers next meet in London in July, their main business will again be Nigeria, but now they have to decide again what the Commonwealth is to do about the forces in Freetown. The new Labour government in Britain may press for Sierra Leone's suspension from the Commonwealth, as has already happened with Nigeria.

CMAG is charged with implementing the Millbrook Plan of Action to promote just and honest rule agreed by the Commonwealth heads of government in New Zealand in 1995. Millbrook says that "in the event of an unconstitutional overthrow of a democratically elected government", steps taken should include suspension from Commonwealth meetings and suspension of aid if "acceptable progress is not recorded" towards the restoration of democracy after two years.

On Sierra Leone, the Commonwealth has to go back to the drawing board.

DEREK INGRAM was editor of Gemini News Service for 28 years and is now its consultant editor.

## To the Editor

### Hepatitis B virus

Sir, Viral hepatitis is a general term that is reserved for infections of the liver, caused by one of at least five distinct hepatitis agents, hepatitis virus A, B, C, D or E. The most notable sign of this disease is jaundice, a yellow discoloration of the skin and conjunctivae caused by the deposition of bile pigments that a damaged liver has failed to remove from the blood.

The virus of hepatitis B (HBV) is a ubiquitous organism that is globally distributed. It is also very common in Bangladesh. Humans are the principal reservoir for HBV. The most efficient route of transmission is percutaneous introduction of the virus. Conversely, transmission by the oral or sexual route probably requires larger amounts of virus.

The course of Hepatitis B may be extremely variable. Patients with in apparent (subclinical) hepatitis have neither symptoms nor jaundice. In general, the frequency of clinical disease increases with age, while the percentage of carriers decreases.

Viral hepatitis type B has an incubation period that ranges from 45-120 days in the majority of cases. The clinical diagnosis of acute hepatitis is made by biochemical assessment of liver function. The initial laboratory evaluation should include testing urine for bilirubin and serum for total and direct bilirubin. Typically, total serum bilirubin usually remains below 10 milligram per 100 millilitre but may occasionally attain levels of 20 milligram/100 millilitre.

There is no specific treatment for acute viral hepatitis. Therapy should be supportive aimed at maintaining comfort and adequate nutritional balance. The diet should conform to the patient's appetite and wishes; it must be, however, supply adequate protein (1 gram/kg) and calories (30-35 kcal/kg).

However acutely ill, patients may be benefited by protein restriction, supplying all of the calories as carbohydrate (16 cal/kg).

A number of control measures have been utilised to interrupt transmission of HBV and reduce the incidence of

hepatitis B. These include: 1) the use of simple environmental procedures to limit the risk of infection, 2) vaccination, 3) proper selection and screening of blood donors, and 4) education of healthcare workers and other risk groups concerning patterns of transmission.

M Jahangir Alam  
M Phil, Research Fellow, DU  
and Mrs Khurshida Begum  
RAJUK UMS College, Dhaka

### Potato seeds

Sir, It is learnt through the Press that certain quarters are trying to import potato seeds from India which has been strongly opposed by Bangladesh Cold Storage Association on the plea that country's cold storages have an accumulated stock of three lakh tons of high-yielding variety of potato seeds to meet domestic demands. Further the chairman of the association has informed that potato seeds were never imported from India as these carry 72 types of pathogen of different diseases.

It appears from the above mentioned report that the country has adequate stock of seed potato and there is no need for importing potato seeds from other countries.

Would the competent authorities please investigate into the matter and adopt appropriate measures towards ensuring proper utilisation of potato seeds kept in our cold storages.

M Zahidul Haque  
BAI, Sheri-e-Bangla Nagar  
Dhaka-1207

### Public service quota

Sir, It is very strange that our authorities are making the fight for freedom again a matter of debate by providing for quota in public service for the wards of freedom fighters. Everybody knows that there has not still been prepared any correct list of freedom fighters and as against one lakh freedom fighters as many ten lakh people got certificates as such. Again many genuine freedom fighters did not take the certificates. So the certificates available are mostly fake and so may be the claim of their wards.

So what is the logic behind such a decision when it will decidedly go by default and there is hardly any chance of a genuine person getting it? It would

be worthwhile for all to remember that once incompetent and corrupt people are inducted into public service, the life of the members of the public will be made a hell in the years ahead. No nation can prosper by neglecting merit. So it would be wise to be cautious before taking and implementing such a decision.

F Ahmed  
Dhaka

### Friday in any event

Sir, I don't know what will be the end-result of the two-day weekly holiday. The decision to make two-day holiday seems to be a hasty, rash and unpremeditated arbitration like the 'Water Treaty' agreement. I don't want to make any argument about the feasibility of the two-day weekly holiday in our country. There exists reasoning and counter-reasoning for and against the two-day weekly holiday. A propaganda has been formed against the two-day holiday. So the possibility of reverting the decision cannot be denied. There also exists a propaganda against Friday as the weekly holiday.

The propagandists against Friday want to say about international trade in favour of their argument. I want to firmly profess that international trade is a matter of mutual understanding and not a matter of weekly holiday. No one can show any precedence that even an exporter's import order or any order of remittance has been cancelled in the last couple of years because of Friday as holiday.

There exists another shadow-religious propaganda against Friday. To be honest, it is true that there is no obligation in Islamic Shariah to make Friday the weekly holiday. It is also true that to make a weekly holiday is not obligatory in the Islamic law. But it is a human need which is fully recognised by Islam. As Muslims, we cannot evade the question of selection in this respect.

It is advisable that Friday should be our holiday as it is the Juma day.

So in any event weather it is one-day or two-day weekly holiday, Friday should be our

holiday. It is the demand of the Muslim community. The government should not disrespect our religious feelings.

Mahmud  
461, Surja Sen Hall  
Dhaka University

### Democratic

Sir, Democracy is the most pronounced term in the political arena of our country. But I 'fall' to find democracy in practice. One event will make my point clear.

Some common non-political students had demonstrated a procession on the Dhaka University campus protesting the 30 per cent quota system for the progeny of the martyr of the Liberation. Personally, I find the quota system detrimental to the interest of the whole nation, as such system may provide the country with inefficient jobholders. But I don't want to make my argument as there exists some other views regarding the matter. But I want to firmly say that, in a democratic system, every citizen has a solemn right to profess his/her opinion.

In fact, the students were only practising their right. When the procession came to Modhur Canteen, the activists of BCL chased the procession and hurled stones on the common students also. The processionists were helpless as they were not under any political shelter. And then the procession dispersed.

This happened on the open campus of DU, not in any unexploitable or invisible place. Surprisingly enough, I found newspapers coming out with reports on the offer side of the event. No teacher came to same these students from the terrorists. No teacher or intellectual cared to give any statement condemning the event. And ultimately the mouths of the common students have been suppressed. If the processionists were involved in any political organisation, the matter might have turned to other direction.

Alas! the common students are so helpless that even their father-like teachers care little about them, let alone the politicians.

So in any event weather it is one-day or two-day weekly holiday, Friday should be our

## OPINION

# Reflections on Local Government

A Husnain

Sincere and serious arrangements have been initiated by the present regime to hold the elections to the local government tiers, after the framework, now being drafted, are finalised and vetted by the Parliament.

The previous regime could not start the noble exercise, as the then opposition struck with a sense of timing with the non-stop street agitation programme. There was another reason: a waiting period was thought to be prudent to efface the odour of the previous autocratic regime, which had cleverly penetrated to the grassroots level down to the Union Council in the rural structure.

The lesson has been driven home, and will not be easily forgotten — recalling the power of the philosophy of precedence, so diligently followed within the Secretariat notings and files. It is a potent weapon for the bureaucrats in the civil service, and practised universally, for better or worse, depending on the observer or the critic.

With the present heat-generating confrontation between the two major political parties threatening to erupt into a show down rather than coming down, the chess moves will be watched with keen interest. Theoretically, the ruling party has the edge in such elections, however free and neutral.

This privilege has to be earned the hard way in the political field, with no holds barred. The electorate has several decades of experience, hardened with scepticism, and now coated with a teflon layer of political consciousness, for which the Bengalees are watched with awed discomfort, as depicted in the pages of contemporary history.

The opposition has already made a blockade movement demanding the resignation of the CEC. The environment within

the JS is not conducive so far to the amicable resolution of conflicts, letting out the steam through objective debates.

Looking around at the scenario, the weather report does not forecast sunny and bright days ahead (anyway, the monsoon is round the corner). First the new budget (second for the regime) has to be escorted to a routine level through a settling down period. Next, the timing of the sudden change in office timing and the weekly holiday's, just before the budget session, is significant, and speculations are rife, as the administration appears to be practising the 'de Gaulle' mystique of silence. The combined apex body of the five secretariat associations are issuing belligerent statements. Recall again the power of precedence of the pen pushers, so ably demonstrated prior to the last general elections. Attention goes back to the chess board — there's many a philosophy between the cup and the lip.

Some other sectors appear to be maimed: the stock exchange, the sick banks, and the sicker, but powerful, loan defaulters. The two ports are in the news every now and then. Some sectors of the local industries are limping; including the SOEs. The regional and sub-regional overtures have drawn a lot of fire, and generated a good deal of hat and smoke — and silence. The leakage of examination question papers and the deadlock in RU are not examples of situation normal and God is in heaven." In the background, the law and order situation is not in order.

These are not cynical or sceptical remarks, but small realities of life; which, when integrated (call the mathematical present a dismal and disturbing foreboding. The citizens look up to the leaders in expectation, not helplessness.