The Baily Star

Founder-Editor: Late S. M. Ali Dhaka, Monday, June 23, 1997

A Mixed First Year

In the first year of AL's administration, governance did not get into proper gears although at the start there were signs of some promising dynamism. May be due to government's lack of persistent persuasion, governance is yet to jell into an expression of clear direction.

The government which has not suffered from indecision took up weighty issues like local government, media autonomy and separation of judiciary early in the day. But progress in all these has been sluggish enough to dampen public enthusiasm over government's performance. The Bangladesh-India water treaty, inked by the sixth month of the government, could be a dazzling achievement had the first lean season waters coming from the upper riparian not been less than what we got even without a treaty. Bangladesh must now decide how to persuade India to meet its treaty obligation.

The one laudable achievement of the government has been to do away with the Indemnity Ordinance long vitiating the constitution and weighing unbearably on the conscience of the nation.

The government has very impressively been involved in developing regional co-operation leading eventually to one or more common markets. The idea of sub-regional cooperation, which has a lot of merit, should be implemented within the overall SAARC framework. Government needs to clarify its position in this regard. Two co-operation pacts called the BISTEC involving special ties with Thailand and D-8 envisioning better relationship with Iran, Turkey, Pakistan, Malaysia and three others Islamic countries have also been formed.

The campuses continue to be as disquieting as ever. And violent crime together with signs of general lawlessness have been on the rise. The childlifting scare has led to mob violences resulting in deaths, a reaction not invoked by rape and acidthrowing which also have been on the rise. If this should go to the debit account, the credit card is not altogether blank. Not only Sweden Aslam and his associates but dreaded terrorists like Haris and Dhakaiya Akbar have been de-activated by arrests. The marked fillip in police performance has largely been swamped by deaths in custody of Sheema and, now, Sharif.

The government must be allowed to function for full five years - BNP must recall its own arguments for that — in the interest of consolidating democracy. The government must come out of an apparent rut to help the ruling party live upto its electoral commitments fittingly.

Distressing

Biman crew Nuruzzaman Sharif's murder has once again pitted us against the outrageously inhuman police behaviour and the need to find a way out of it urgently. But before reformation has its way to make sure that police in keeping with its present image does not continue to be a source of woe rather than weal, the killers have to be tried and punished according to the laws of the land. Although CID has taken over the case, and an enquiry committee headed by a magistrate has been formed to cull the criminals, it just beats our imagination how it can take the law enforcing agency so long to identify the culprits who are its own men.

The autopsy report clearly says that the poor chap who had earlier been sent for prosecution on charge of trespass into PM's secretariat, died from torture in the police custody. It is an unbearable fusion of frustration and anger which becomes our reaction when we are told that it will be sometime before the men responsible for Nuruzzaman's death are ferreted out. Why? After all, it is some policemen who must have pommelled Nuruzamman. Certainly, no invaders came from outside. Then, why it should be such a time-consuming and apparently arduous task for police to winnow out the 'killers' from its ranks?

Authorities would do well to remember that any procrastination over investigation will give rise to suspicion of some foul play from within because after all, it is going to be conducted by professional peers of the culprit. The incident not the first of its kind, once again reminds us how important it has become for police to go through reforms immediately. The increasing list of deaths in police custody drives home the point that police behaviour, its method of interrogation to name one has to record radical improvement in its sensitivity to human rights.

Kala-azar Again

There is bad news from Gafargaon. One no more equates the place with bad experiences of the weirdest kind for traveling train passengers. That's something long past. The nation must wake up to what is at present happening there. The thana health complex has so far treated 650 persons afflicted with the dreaded kala-azar. But the actual figure of affected people may be higher than that, says a report in a national daily.

Starting as a local outbreak, the disease is spreading in the neighbouring thanas and to more and more new unions. Reports of a number of deaths have already come to the complex.

There is every reason to fear the come-back of diseases long eliminated. The elimination did not come easily — it took decades and decades of selfless struggle. But when one comes back it catches the society unprepared and more vulnerable than previously.

As we remember Dr U N Brahmachari who developed an effective antidote to kala-azar - urea stibamine — that helped eradicate this old and traditional killer, we call upon health authorities to take urgent steps to first contain the spread of the disease and then to root it out.

Subsidies and Grants in the Budget

Since the beginning of 1990s, there has been a pressure from the donor agencies to rationalise the tariff -tax

structure, liberalise trade, deregulate internal controls and step up the domestic resource mobilisation all

attracted so much attention of almost all sections of people of the country - academics, professionals, business leaders, industrialists, traders, farmers organisations and even trade unionists. It is a healthy sign in a democratic society since it shows that unlike in a dictatorship, a government cannot arbitrarily push through a budget which touches everyone's life in one way or another without its accountability to the people. It also shows that people are asserting their rights to know what they pay and what they get in exchange. The more the people participate in the pre- and postbudget deliberations the more

the government has to be an-

swerable to them and modifica-

tions of the budget have to take

place to accommodate their

T is a pleasure to see that

the annual budget has

wishes. This is the vitality of the democratic system. However, in spite of all the comments and observations of various commentators and observers, there are still a number of aspects of the budget like the quantitative effects of all taxes and expenditures on the growth of various sectors of the economy and the welfare of the population, net effects on poverty alleviation, human resource development and environmental protection and the control of terrorism etc., that should be brought to the public attention

so as to make both the public

and the policy makers aware of

n his inaugural speech de-

livered at the Conference of

Association on May 29

(published in The Daily Star on

June 1.) Professor Wahiduddin

Mahmud has highlighted the

crucial role of governance in

the economic management of

this country. After a careful

reading of his excellent piece of

work one cannot but agree with

what he says: "The politics of

agitation and confrontation is

perhaps the single-most

important factor that explains

the lack of investor confidence

..... With economic

liberalisation and increased

reliance on private investment

and export, the economy is now

more susceptible than ever

before to a climate of political

uncertainty and unrest. Our

political leaders must find

mechanisms within the

democratic system for limiting

the degree of political conflict

and for building a reservoir of

political toleration to draw

bracing term. The question of

governance is there in every

sphere of our life. Governance is

essentially a social engineer-

ing, a process to produce some

output for the society. It is by no

cal and empirical literature is

available on various issues re-

lated to governance. The most

important question that arises

in the course of such an analy-

sis is: what are the major prob-

lems of governance in

Bangladesh? Professor

Wahiduddin Mahmud in a very

succinct way has discussed the

problems of governance in eco-

nomic management of

Bangladesh. Elementary text-

book on principles of eco-

nomics identifies three central

problems of a modern economy:

(i) What goods in how much

quantities to produce? (ii) How

to produce? and finally (iii) For

A large amount of theoreti-

means a simple task.

Governance is an all-em-

Bangladesh Economic

their implications. Unless corrective measures on all these issues are taken effectively, efficiency in the country's scarce resources will not be achieved

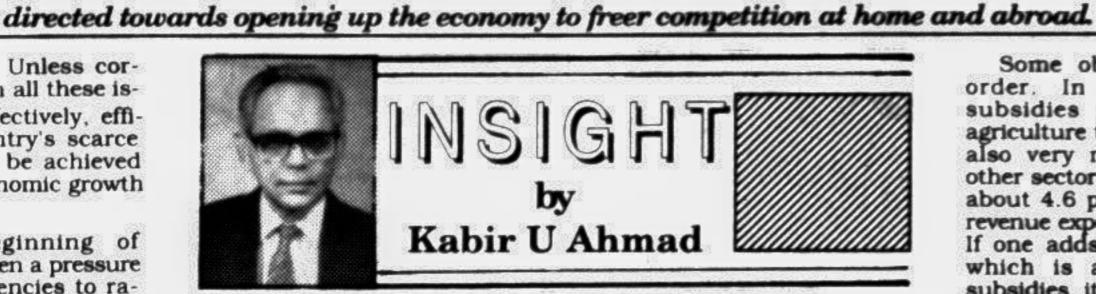
and the rate of economic growth

cannot be optimal.

Since the beginning of 1990s, there has been a pressure from the donor agencies to rationalise the tariff-tax structure, liberalise trade, deregulate internal controls and step up the domestic resource mobilisation all directed towards opening up the economy to freer competition at home and abroad. Considerable success has been achieved and the economy has been going through a phase of transition.

Although the present government had previously accepted this process of transition to a liberalised economy, in 1997-98 budget it has reintroduced some protective measures which have been pointed out in the last week's column of this

However, neither the last nor the present government has been able to cure the inherited sicknesses of the economy by drastically cutting the wasterful expenditures like subsidising the losses of the state-owned enterprises (SOEs), cutting out the redundant staff from the government pay roll,



recapitalising the sick banking sector, and eliminating the wasteful subsidies and grants from the budget. This writer has written a number of articles on the first three items, the last item is taken up here.

Amount of Subsidies and Grants

The rate of growth of subsidies and grants in the budget is phenomenal. Look at the table of date over the last three years

MOFin&	1997-98 Sub Grant (Tk in crore)		1996-97 Sub Grant (Tk in crore)		1995-96 Sub Grant (Tk in crore)	
		72.5		10.4	CONTRACTOR OF THE CONTRACTOR O	19.3
Agri.	312.0	0.2	162.0	0.2	1923	0.2
Food	326.0	0.01	299.0	0.2	273.0	0.01
MOInf ·	9.69	3.6		3.7		3.3
Defense	174.	6.6		6.6	1	6.6
Power	8.0		8.0		8.0	***
MoCom	30.0	1.3	15.0	1.2		1.3
MoInd	31	0.5	3.1	0.3	3.1	0.4
MoEst		30.6		31.6		34.5
LGRD	9000	101.3	Maraga	101.1		98,1
Others	TWE-	7.01	The same tenan	6.8		8.0
Total:	679.1	223.6	487.1	162.1	284.1	171.7
Disaster Relief		536.9	Š.	527.8		500.2
Grants to non- govt Madrashas		227.0		227.0		200.0

Some observations are in order. In the first place, subsidies are not only in agriculture these days, they are also very much prevalent in other sectors which account for about 4.6 per cent of the total revenue expenditure of 1997-98. If one adds the grants-in-aid, which is a close cousin of subsidies, it comes to about 6.2 percent of 1997-98 revenue budget. In the second place, the amount of disaster relief is kept outside of these /official amounts of subsidy and grantsin-aid. In the third place, the disaster relief is not included in the outright subsidies or grantsin-aid according to the budget. Conceptually, it looks like it is treated as an insurance cost to the society borne by the government. This is acceptable. Fourth, what is surprising is to see that a huge amounts of grants disbursed by the Ministry of Education are not included in these figures. The annual grant-in-aid to nongovernment Madrashas comes to a substantial amount and one doesn't see why this should be kept out of the grant-in-aids estimate. The irony is that the total amount of budget for the entire university sector is only Tk 183.7 crores while grantsin-aid to non-government Madrashas is Tk 227 crores in the 1997-98 budget. Further, the

rate of growth of allocation in this sector is phenomenal. In 1994-95 budget its allocation was Tk 163 crores which has escalated to Tk 227 crores in 1997-98 budget registering an average annual rate of growth of 9.8 per cent. Does any sector of the economy grow at such a fast rate? One is interested to know: who are the recipients of such a vast amount of grants year after year from the government budget. Why is such a princely treatment of this sector by the national government? What is more fundamental is the question whether this is the right way of using the country's scarce resources for developing the country's human resources for the future of growth of the economy? Some Concluding

Remarks

The subsidies and grants-inaid are given not only to the important sector like agriculture, but also to many other sectors of the economy. Apart from what have been reported above there are also departments like cooperatives, social welfare, health and population, education etc., where government expenditures do not seem to be serving the purpose that they are intended to. There is a need for a careful scrutiny of the value that the tax payers are getting for their hard earned money from the services of all these and other ministries and departments of the government.

Challenges of Democratic Governance: Who will Bell the Cat?

by Monaw-war Uddin Ahmad

How to make our two leaders sit together to discuss national problems on a regular basis? Who will really bell the cat? One may not have any ready answer to this most difficult question. But the vast majority of the people of this country want it very much to happen. May be the honourable President has a potential role to play in this regard.

whom to produce? Whether we talk about economic liberalisation or investment response of the private sector, in the end the decisions are essentially related to these three central questions. Professor Wahiduddin Mahmud has rather concisely described the current state of the affairs of Bangladesh economy: "The recent macroeconomic developments demonstrate the high degree of fragility of the economic stabilisation process in Bangladesh as well as expose some of the underlying longrun growth constraints facing the economy. Slippages in macro -economic management, poor harvests and political unrest have combined to bring about a deterioration in the macro-economic balances. These trends as reflected in a widening investment-savings gap as well as an increasing trade deficit are not sustainable and warrant appropriate policy responses in macro-economic

management." The governance of economic policy formulation and its implementation is the most elegant of all governance problems. Professor Mahmud has very rightly emphasized that what is urgently needed is to arrive at a national consensus on major state issues. Unfortunately there is no consensus on most of our national questions. I would not worry here much about economic policy issues as Professor Mahmud has already dealth with those in this paper. would, rather, like to raise a more fundamental question. In Bangladesh the two major po-

League and Bangladesh Na tionalist Party. The determination of the exact strength and power base of these two parties are matters of detailed research. However, as a laymen, it appears to me that they are very close to each other in this respect. A rough approximation would be, say, 55:45 depending on whether the party is a ruling one or in the opposition. The relative strength of these two major political parties, as a ruling party and as an opposition one, can be assessed according to the above proportions. It does not matter whether Awami League or Bangladesh Nationalist Party is in power or in opposition — that when is power the ruling party has a little more strength than the opposition for some obvious reasons. If this assumption (which I believe to be realistic) is accepted. a consensus on national issues between the leaderships of these two parties is a necessary condition for promoting socio-economic and overall development of this country.

It is an irony of fate that the very twelfth and thirteenth amendments to our constitution are the symptoms of this lack of consensus, confidence and mutual trust. Let me first elaborate with the help of the twelfth amendment of the constitution. It says that the President of the republic has no function other than making appointments of Prime Minister and Chief Justice as per specific provisions of the constitution. In all other matters the President shall act in accordance with the advice of the Prime Minister. The dissolution of the Parliament by the President is conditional on a written letter by the Prime Minister. It is very clear to us that the head of the republic under the present arrangement has no residual power even under grave national emergency. Both Awami League and Bangladesh Nationalist Party after the fall of Ershad regime very gladly agreed to introduce such a provision and / or amendment in the Constitution. Have we ever thought that the President as the head of the republic should have some residual power? That a democratic as well as a sophisticated society needs an 'honourable' President having some ultimate power to deal with grave national crisis.?

Perhaps having seen many autocrat Presidents (under Presidential system, of course) in the past and who knows also for safeguarding democratic power' in the early nineties both the major political parties of the country decided to adopt the twelfth amendment of the Constitution wherein the President does not have any power at all. It is, of course, true that President Justice Shahabuddin Ahmed, despite that, has never hesitated to give his learned views/opinions regarding a number of important national issues. By doing so he has indeed exalted the office of the President.

It transpires from the most recent history of this country that if there were any constitutional provision of Presidential intervention, the political crisis during the latter phase of the BNP regime could have been

solved rather at a lower cost. The nation had to pay an enourmous cost, indeed! As the two major political party leaderships do not have mutual respect and confidence, there is

virtually no consensus on any And at last people were on the streets. The BNP government was forced to adopt the thirteenth amendment to the constitution having the provision for a caretaker government to run parliamentary general elections in the country. A careful examination of the thirteenth amendment of the constitution makes it very clear that it is a temporary arrangement for a Presidential form of government with 'neutral and non-political' advisors. We would be sadly mistaken if we believe that the Chief Advisor of the caretaker government is the chief executive under this new arrangement. On the other hand it is the President who holds the real power during the period of a caretaker government. While there is no denial that the caretaker government has very successfully and effectively conducted a fair and free national election, it has also been proved rather conclusively that the major political parties of this country think each other as "vote dacoits." The Magura incidence spearheaded the movement for a caretaker government. And finally when the goal was achieved, we thought that we were one hundred per cent successful. But success achievement in national life is a long-run phenomenon, while the very existence of this thirteenth amendment of the constitution is a singular example of one hundred per cent distrust, disregard and lack of consensus. It means a political party government cannot be

trusted in Bangladesh because it is believed to be involved in 'vote rigging.' Both Awami League and BNP think in the same way about each other. In that one may ask a simple question: If they cannot conduct a national election freely and fairly, how can one believe that they would be able to run the administration of the country to lead its people on the path of progress and prosperity. One may then also ask: Why do'nt they leave the administration of the country to a caretaker government for a few years.

Professor Mahmud has emphasized the necessity of establishing national consensus in respect of economic policy matters. I would like to add that Awami League and BNP first should set an example of running a fair and free election by a party government and then they should work out national consensus on other matters. believe that many of their differences are more imaginary than real. These have arisen because of narrow party approach. The honourable Prime Minister and the honourable Leader of the Opposition should sit together to discuss among themselves the various socioeconomic problems of the country and then they should take up the matters with their team of advisors. An official opposition in the parliament is an integral part of a cabinet form of government, and it must be well understood and appreciated at the very beginning. Failing which any attempt would be rather an exercise in futility. But the real question is: How to make our two leaders sit together to discuss national problems on a regular basis? Who will really bell the cat? I do not have any ready answer to this most difficult question. But I believe that the vast majority of the people of this country want it very much to happen. May be the honourable President has a potential role to play in this regard.

The writed teaches in the Department of Economics, University of Dhaka.

American visa

Sir, The American Embassy in Dhaka at a recent press conference stated that the Bangladeshis who go to USA mostly do not return and their number is the highest. Our Foreign Ministry should come out with a statement whether it is correct or not.

It is also stated that in 1996. 54 per cent of the visa applicants out of 35,000 were not issues visa. If the visa fee is Tk 840, Bangladesh lost Tk 15.87 million to USA. Great income!

Ismat Ara Road 5, House 126 DRA, Dhaka

Coin smuggling

Sir, Silver and golden metal coins of Tk one denomination are being smuggled out to India nowadays. (the Daily Ittefaq dt. 13.5.97). It is learnt that silver coins are being used for manufacturing tea spoons, fountain pen nibs etc. Two pieces of silver coins are required to manufacture one piece of tea spoon which is again sold at Tk 6-7 in Bangladesh.

The golden colour coins are in use to manufacture imitation jewellery. Sometimes, coins are amalgamated with gold ornaments. As a result, the coins are about to disappear from the market.

The metal coin is termed as commodity money of limited legal tender. One metal coin of any denomination has face value as well as intrinsic value. When face value of a coin is less than that of its intrinsic value, the coin may be smuggled out in exchange of money easily. It is needless to say such

smuggling states that the intrinsic value was not verified when the metal coin was minted.

A M Kais Chowdhury Masdhair Gorsthan Road Narayanganj

Jamuna Bridge

litical parties are Awami

Sir, It is time to start the PR activities on Jamuna Bridge opening next year.

The public have no idea how the smooth travel arrangements are going to work, and time/delay involved in the block picto-diagrams may be issued in a series of educationcum-information advertisements. Since the curiosity value is high, the Public Relations Cell should make itself visible. I would like to collect the following literature/information. - sketch map Dhaka-Sirajganj-Bogra showing old and

new roads; bridge approach diagrams including check/toll points; rest-halting points, cafeterias,

service areas for vehicles. PO/Tel, mosque; traffic fane arrangements

on both sides for different types of vehicles: inns, restaurants, shopping enclave, clinic, emergency/contingency facilities.

A Citizen

Algeria and Myanmar

Sir, When we look into the policy of the West towards Myanmar (Burma) viz-a-viz Algeria, we find how Washington, London, Bonn and Paris excoriate the military government of Myanmar with magnificent invective for depriving the National League for Democracy of Nobel Laureate Aung Su Kyi which won the May 1990 elections. But the western leaders maintain a mysterious silence because of the fact that the Algerian army annulled the election results of the Islamic Salvation Front and bereft the Front of a massive election

victory in 1991. We also feel confused when the western leaders especially the US leaders advocate democracy, human rights and market

economy on the one hand, but very often on the other hand, they threaten many countries with dire consequences, isolation and imposition of economic sanctions if they do not follow the policy of appeare-

It is also very intriguing to note that the USA being the only undisputed economic, political and military superpower is interested in the expansion of NATO and G-7 but she does not like the membership of Myan-

ment towards the West.

mar in ASEAN. We strongly feel that the old saving "East is East and West is West and never the twin shall meet" is out-dated and obsolete. In the present-day world, the East is fully awaken and East and West are equals and the twin can never attain peace and prosperity without each other's help and cooperation.

We would highly appreciate if the western countries followed a neat and clean policy of amity and equality towards Algeria and Myanmar and also towards Israel, Palestine, Iraq, Libya and Iran.

OH Kabir 6, Hare Street, Wari, Dhaka-1203

"Coffee is Costly"

Sir, Thanks to Mr Yousuf Jamil of Mirpur for his letter published in the DS (17.6.97) inviting detail information on the beneficial effect of coffee against heart disease. Yes, I do agree with Mr Jamil that I should have furnished detail information on the subject in my letter on 15.6.97. In fact, I had prepared a detail write-up on coffee but unfortunately my draft copy was lost somewhere together with the clippings.

Meanwhile, I use to keep notes of important things and events in my diary. And for information of Mr Jamil, I am sending the following information on the issue recorded in my diary:

"The research finding per-

taining to the effective of coffee against heart-disease and cancer was presented at the American Chemical Society Conference held in San Francisco on April 14, 1997 by Mr Takayuki Shimbamoto, Professor of Environmental Toxicology, University of California - Anti-oxidant found in both regular and decaffeinated coffees can fight against cancer and heart dis-

Detail will follow soon after I complete my study on coffee.

M Zahidul Haque BAI, Dhaka

Can anyone tell me?

Sir, I am eager to know some important addresses from you and from the readers. I am writing to you with high hopes. shall be highly delighted if you kindly let me know these addresses: a) Intell company (computer inventor) and b) Bill Clinton (the President of USA).

Md Mukammilur Rahman Rifles Public School and Dhaka.

Who are they?

Sir, The other day I read an article in the Sunday Times of UK, 16.2.97 where Peter Conradi Utrecht writes, "A gruesome new crime is sweeping Holland. Dutch fathers, angered by unfair divorce settlements, are murdering their children as the ultimate act of revenge against their wives."

In our country, many divorces remain unsettled, as the marriages are unrecorded. The children of these 'wedlocks' naturally end up in our street, as, someone may call them, Tokais, Pathakalies, urchins, who grow up only to be 'mas-

Mirza Shafi House-821, Rd-5 Banani, Dhaka

OPINION

Can D-8 Take Off? A Husnain

like the bigger OIC.

The potential 'power' is iming members who are in tion not to be set aside. SAARC, ASEAN and the new

im majority nations. common platform. To add vari- the isolation, sitting down beety. Iraq has been made into a low in the Asia-Pacific region. buffer state to serve vested

global interests. prosper potentially. There may in the pocket of G-7, with huge up of like-minded people. Would forward sales which will take a G-7 be worried or happy? couple of decades for repayment

of the goods and services.

The new D-8 economic and conditions after the civil war? development group of eight One view is that now that D-8 Muslim countries (out of the 56 could be formed, a solution to OIC members) will be a mile- the Afghan issue has to found stone in the history of the Mus- through the wisdom of the lim world, if it can work ac- united nations (not necessarily tively, and not remain passive UN, which is becoming passive like the OIC).

The hop Eastwards to pressive: a market of 800 mil- Bangladesh is over India, a vast lion people, with a total trade country of 900 million, with the volume of USD 400 billion, potentiality to become one of comprising 10 per cent of the the most powerful nations in global GDP. The area stretches Asia in the next century. How from Indonesia to Turkey and India is going to react to this Dsome African nations, compris- 8 garland? An intriguing ques-

Then comes ASEAN with BISTEC. Another advantage is Myanmar in between. the proximity of the CIS Mus- Malaysia's clout will strongly influence the working of D-8; D-8 can only work with the hence Dr Mahathir's statesindirect blessing and support of manship will be watched with G-7, the largest non-Muslim great interest. The member with and richest group in the world. the biggest population (200m) is Iran and the Arab world in the Indonesia. Obviously she is Middle East have yet to form a likely to appreciate the end of

The topographical scenario is interesting — very interest-The question which can be ing, stretching thousands of posed is why the latter (vested miles; a passage from the South interest group) are now 'allow- Pacific to the CIS region in the ing D-8 to be formed and to heart of Asia. The think-tanks all over the world would be be some truth in the analysis deeply engaged in analysing the that some of the Arab states are implications of this vast link-

Bangladesh has now got a good opportunity to expand her How the formation of the D- external affairs gamesman-8 bloc will affect the states con- ship. It is exciting to find tiguous to it? Afghanistan is a Dhaka active in so many group-Muslim state, now passing ings. SAARC, the Quadrangle, through an unstable phase of the Triangle, the Bay Rim plan, political development. How BISTEC, and what not. The sitlong will this instability will be uation is pregnant with expecallowed to continue, and how tations, depending on how the and when the problem is going politicians come forward to

to be solved to return to normal serve the country first.