

On to the Peace Deal

The administrative vacuum following the end of the extended tenure of the local bodies in the Chittagong Hill Tracts, elected as far back as in 1992, has been averted. A five-member interim local government council for Khagrachhari headed by Samiran Dewan has been appointed as a makeshift arrangement pending elections to these in due course. We welcome the decision.

The local government councils, irrespective of the tumultuous and unsettled atmosphere in the hills, have definitely earned a degree of success in maintaining the development process as well as a semblance of harmony between communities there.

The functioning of local development administration in all the three CHT districts has gained importance in the recent times due to the note of optimism in the air about a just settlement of the dispute in the hills, thanks to the forthright manner in which the present government has gone about resolving the crisis once for all. After years of distrust, disappointment and segregation, the way seems to have been finally paved for that elusive but highly desirable breakthrough envisioned in the peace deal between the PCJSS and the National Committee. Despite the occasional hiccups we believe the peace process should not be allowed to slip into the mire of procrastination. More so, when consensus has already been reached 'on all points' between the PCJSS and the National Committee. There is no doubt that the a permanent settlement is absolutely essential for healing this old and festering wound on our hills. A whole new horizon is likely to be opened by a permanent peace deal. This is key to the integration of the tribal people in the process of nation-building through the evolution of a culture of harmonious relationship between the Bengalee settlers and tribals. Longer it will take to come into being, more problems will be spawned.

From the signs available, the July 14 meeting between the two parties is going to be crucial. We would urge both sides to stay out of the pitfalls of avoidable delay and remain focused on wrapping up the deal on July 14. Let the first day of the third week of this month be a truly ground breaking day.

BNP Chief on TV

It is twelve days since BTV had invited Begum Khaleda Zia to be *Deshbhashir Mukhomukhi* — literally to face the nation. She has not yet sent in any reply. As she keeps things postponed, misgivings start creeping into the public mind. The same old thing is perhaps happening over her facing the nation on TV. Most unfortunately.

Begum Zia has a fighter's image. Her standing with the nation rests much on this. It is a fighting leadership she gives to her party and to the nation as well. It has served her and her party well irrespective of what was all her fighting for. From a fighter's view Sheikh Hasina's couldn't be but as if she had thrown in the gauntlet, and as the celebrated fighter she is Khaleda didn't have any choice but to take it. Her failure to do so would dent her image unmistakably and very visibly, too. The more she would cling to arguments like everything must be all right with BTV before she would go there — would appear to be hollow excuses perhaps even a ruse for averting grilling by independent questioners.

If the nation has any right on Begum Zia, she should accept the BTV invitation and be face to face with the nation. For it is indeed the whole nation — her admirers and followers of Hasina and all the rest in between — that wants her on this programme. And it is not only a matter of people wanting it. The nation's good demands that the two leaders make themselves fully understood on all burning questions — and in public. Hasina has subjected herself to questions that will be long remembered for their candour. Khaleda must now do her part. This she owes to the nation. If she is deferent to the ethical demands on her position, she cannot but accept the BTV invitation. We can on our part assure that this would benefit her and her party and, yes, the whole nation. Khaleda must not cringe from what is good for the nation. If she only sets aside her misgivings and faces the interlocutors on the TV in *Deshbhashir Mukhomukhi*, imagine what an institution it would help build for the nation! That would be democracy in practice, unbeatably.

What an Irony!

Zardari has been charged with having a hand in Murtaza Bhutto's murder. What an irony of fate! Recognised as Pakistan's richest and most powerful man the status achieved in a blitzkrieg fashion in the few years of his spouse Benazir Bhutto's ascendance, Zardari has been blamed for a vast array of crimes, corruption being the least harmful of them.

Zardari's arraignment evokes other sentiments also. What a family Sir Shah Nawaz Bhutto of Larkana, Sind had sired and left behind to vitiate the annals of Pakistan. Illustrious, yes and also notorious — this was doubtlessly a remarkable family. Z A was but a henchman picked up by a despot come from the barracks. There was nothing to glory in that although he could be immortalised for his nonsensical outburst promising to live on grass for 2,000 years rather than make peace. It is for the blown up Bhutto, blown up by developments on the eastern wing that leaves a memory, a very unflattering one, of him. Of one with hands bloodied three million times more indelibly than Lady Macbeth's. What came of his fire-eating exploits? He was hanged. His family fell out into mutually warring individuals. His younger son died in a hotel in Nice, suspected to have been poisoned. And Murtaza the most impressive of the lot, lost his way and got killed conspiratorially in which his sister's husband is widely believed to have been the keyman. Nusrat the mother and Benazir her daughter had been political rivals for long and Benazir's one achievement so far has been burying the People's Party full five fathoms below the five Punjab rivers.

A happy and prosperous and democratic Pakistan is what we and other partners in the subcontinent pray for.

What is Happening in the Stock Market?

Both the DSE and the SEC will have to be reorganized to make sure that there are no legal loopholes in their constitutions and both the investors and the brokers/dealers are given fair deal. Strict enforcement of surveillance, accountability, and monitoring of the behaviour of all participants in the market will have to be ensured.

ALTHOUGH a great deal has happened in the stock market over the last year and the accused in the share scam have been taken to the court, yet the stock market has been functioning without much vigour and vitality. Nevertheless, the performances of stocks in recent months seem to be indicating something quite important. It is worth analysing the underlying issues systematically.

Price Trend in the DSE

Since the beginning of 1997, the All Share Price Index (ASPI) of the premier bourse of the country, the Dhaka Stock Exchange (DSE), which leads the Chittagong Stock Exchange also, seems to be continually declining in a somewhat step-wise fashion. That is, after a period of continuous decline, the index reaches a point and then oscillates around that point for a while, and then it slides again continuously for a while reaching a new low point and fluctuates around that point for a few days before it takes another downward plunge. This process has been continuing without developing a strong upward trend trying to reach an ever getting higher near, the former peak point. It is this latter phenomenon of reaching the old peak point of the price cycle and breaking through it from a trough that one sees happening in the well-managed and properly functioning stock markets in the growing economies that is of interest to the analysts. There are various hypotheses to explain such a phenomenon which are outside the scope of such a short article. However, in the DSE, so far it is only a one-way track that one sees over the last six months following the major November-December crash.

These observations can be supported by the following available data. After its rapid rise from a level of 959 on June 30, 1996 to the peak of 3627 on November 16, 1996, it crashed to 2241 in a matter of a month, December, 22, 1996, being the last date of this phase of decline. The index fell by 38 per cent then. People at that time expected that it would perhaps stabilize around this level since it was hovering around it for a few days. But it didn't, and soon it began to slide further downwards. The subsequent pattern of decline seems to indicate a different story. There was a continuous decline from January to March without much oscillations. It stood at 1962 on

January 30, at 1702 on February 27, and at 1265 on March 30, 1997. The rapidity of decline was very pronounced in the month of February. However, it reached its bottom on April 30 at 935, then rose to 1216 on May 30, and fell again to 1111 on June 30. In the first week of July, it fell again to 1098. Although some market observers commented that the index had stabilised at around 1200 by the end of May, it again went down in a listless manner during the month of June and, it looks like, it is beginning to slide again in July.

A few points should be noted at this stage. First of all, it is interesting to see that the lowest price level that the index reached in April, 1997, was also the level where it stood in June 1996. To dramatise it, one can say that after a long space flight, as it were, the price index has come crashing down to its base point of June 30, 1996, and in the process, thanks to the efficiency of big manipulators and inefficiency of the regulators, it "slaughtered" (millions of innocents in the market, as The Economist has correctly described it. It has left a deep scar on the psyche of the poor struggling nation. Secondly, the last three months' price behaviour indicates a short cycle ranging from the bottom of about 900 to the peak of about 1200 which was the range between June and August 1996 before all the price manipulations took place. Finally, from the highest peak to the lowest trough, there is a price fall of about 74 per cent which is a unique event in the history of stock markets in the world.

Some Basic Questions

The above facts, data and analyses raise a number of fundamental questions which every rational person, well wisher of the country as well as the policy makers should try to reflect on, and, if possible find objective answers to. The most important one is the following: If the economy has been growing at an annual rate of 5.7 per cent, a rate slightly faster than those of the previous few years, as has been officially presented in all the recent government statements and budget documents, why hasn't such high growth had any positive impact on the

stock price index over the last six months, which is a fairly long time for any stock market? Any one interested in the healthy development of the market would like to know when and how will this continuing downward price trend come to an end and a vigorous upward trend begin? What measures can be adopted to bring this about?

The Puzzle

From the data quoted above, there is no doubt that the officially claimed 5.7 per cent growth of the economy hasn't had any impact on the stock market, or, at least, it could not arrest the continuous slide of the index. This is a jigsaw puzzle. There are two possible explanations of this puzzle. The

other kinds have not come to the capital market during the last six months for raising capital. Nor is there any commodity futures market in the stock exchanges of Bangladesh which could have some impact on the stock prices. Whatever little growth of industry (3.3 per cent) there has been over the last year, it hasn't had any powerful impact on the stock prices and hence the downward trend of stock prices continued.

But despite of all these explanations, the question still remains that any small saver from higher income would like to find outlet for small investment yielding higher return in the stock market rather than depositing that money in the fixed deposit accounts in their

possible to sustain high growth in agriculture for a number of years in a row. Attention therefore, has to be paid to the development of industry and service sectors which have to bear the major brunt of high growth in the medium to long terms.

Why is the Stock Market Sliding for So Long?

There seem to be two main reasons for the continuous slide of stock prices since last December: Shattered confidence and the government's economic policy.

Investors' confidence was shattered with the market crash of November-December. The authorities first didn't accept that it was a crash and that there was insiders' trading and price manipulations. When information were coming out and available data were analysed (this writer also published a number of articles in his weekly column of this daily during November-December about the available data and showing the possibility of insiders' trading and calling for some drastic steps), government, in their wisdom, quickly set up a Commission to investigate the reasons for the market crash which reported in March, 1997. The report clearly indicated that there were willful manipulations by the major players in the market and also that there were weaknesses of the Security and Exchange Commission (SEC) in properly handling the situation at the right time. Unless the offenders are properly dealt with, healthy enthusiasm for investment in the stock exchanges will not return. Further, there is a need for separating the DSE's elected council and the administrative body with some clearly delineated autonomy for the latter. There is also the need for improved management and establishment of modern technology with sufficient number of trained personnel to operate the new technology.

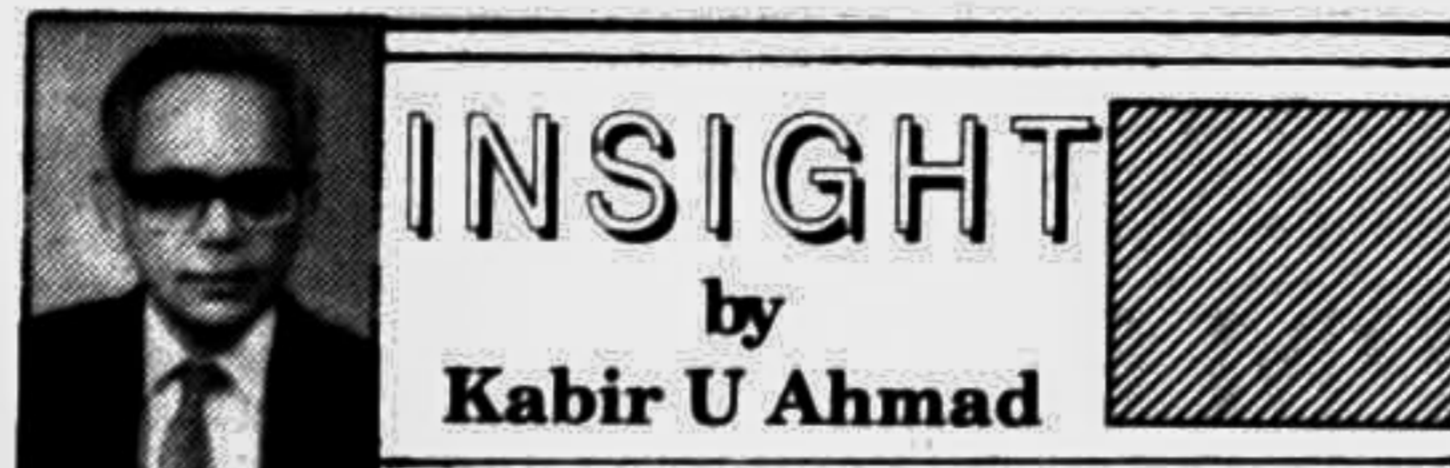
Secondly, there is a need for complete overhaul of the SEC as a regulatory body. It is not able to use its authority effectively when it was needed.

Surveillance of market operations on the trading floor, monitoring of activities of the market players and ensuring all round transparency including the scrutiny of the prospectuses of the companies done by the SEC itself, were far from the ethically acceptable standard. Unless these are remedied confidence in the stock market will not return. People are waiting to see what the court judgments are and what the government do with the manipulators. Until then, market is unlikely to show any vigorous upward trend. In the meantime if a new National Stock Exchange is established, which will be another para-statal organisation run by civil servants who know very little of the trade, it will not be able to rescue the market.

The government's economic policies during the last year did not seem to have contributed to the healthy development of the market. It has borrowed too much money from the banking system (no official figure has been announced so far) which has crowded out private investment on the one hand, and raised interest rate too high (around 16 per cent), on the other. The latter has given wrong signal to the market making small investments in the riskless government saving certificates etc. more attractive than investments in the risky shares of private companies in the stock market.

What Can be Done?

In order to turn the market around, confidence will have to be restored. Until the court's judgment is out, nothing substantial can be done. There is a need for very careful handling of the situation. But the government will have to ensure that ethics and laws prevail. Laws will have to be tightened and strictly enforced. Both the DSE and the SEC will have to be reorganized to make sure that there are no legal loopholes in their constitutions and both the investors and the brokers/dealers are given fair deal. Strict enforcement of surveillance, accountability, and monitoring of the behaviour of all participants in the market will have to be ensured. All these cannot be achieved in one month or even six months, but steps must be taken towards achieving these goals immediately.



by Kabir U Ahmad

first is that the economy may not have actually grown at 5.7 per cent, it might have grown at a smaller rate. There is a need to check this. The second explanation is that the economy might actually have, on the aggregate, grown at 5.7 per cent but the major growth has taken place in agriculture and other sectors which have very little to do with stock markets in Bangladesh. The available data also show that in 1996-97, agriculture has grown at 6 per cent while industry has grown at a paltry 3.3 per cent, down from previous years' 8-10 per cents, mostly because money market was extremely tight due to heavy government borrowing.

However, for agricultural growth in Bangladesh, capital doesn't have to be raised through stock market. Most of the industries producing inputs for agriculture like fertilizer, diesel engine, water pump etc. are already installed and additional supplies are usually imported and not much attempt has been made to establish new industries in this area. In any case, the entrepreneurs of the new industries of this and

banks for a pittance. Why hasn't that happened over the last six months? The answer seems to lie somewhere else as discussed below. Similarly, the second and third questions raised above, which are tied with same line of argument, are also dealt with in that section.

In the meantime, one side point should be made clear. There seems to be a thinking in the present government that this year's 6 per cent rate of growth in agriculture can be sustained in the medium to long run and hence it would be easy to reach a 7 per cent overall growth rate of the economy in the near future. This is extremely risky. Long swings of development history has shown that agriculture cannot sustain more than 3-4 per cent growth for long. This is particularly important for Bangladesh where one can see that high agricultural growth in one or two years has been preceded or followed by low growth years. Therefore, it has never been

To the Editor

Traffic to and from Wari

Sir, The Berlin wall, constructed on the whims of a dictator now fallen from grace, on the west of Bangabhaban, was not torn down, as it should have been, after a new government came to power a year ago. Nevertheless, considering the pitiful condition of the residents of Wari, and of the hinterland of the old part of the city beyond it, authorities concerned are now constructing a road, parallel to the existing one on the eastern part of the children's park between Gulshan and Bangabhaban, for facile movement of traffic. But unless the buses are completely removed from Toyenbee Circular Road on the south of Bangabhaban stretching from the southernmost tip of RAJUK Avenue to the Ittefaq crossing and also from the small strip of Jaikali Mandir Road, the situation is unlikely to ease.

Day in and day out throughout the year, and even late into the night, buses, most of long-distance routes, are parked along that road — and occasionally on the centre of the road — in the presence of policemen on duty, causing enormous traffic congestion. Likewise, attention should also be given to the former Hardeo factory crossing where, unfortunately, a market far below the standard of the locality in which it is situated, is coming up, and is likely to convert the area into one like the complex on the Fulbaria area known as Banga Bazar.

Unless the congestion at these points is nipped in the bud, life of the residents of Wari, once the cynosure of all eyes in the city of Dhaka, would become dreadful. As such, measures should be taken immediately before the new road, parallel to the existing one on the west of Bangabhaban, is opened as a public thoroughfare.

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Bi-polarism

Sir, Due to strained relations with neighbour India since Partition, and again since 1975, the politicians have to carry out initially a planned mass psychological campaign to orient the citizens to move towards empathy, before any regime in power can take the risk of signing any bilateral or regional development pact.

What is happening the public have noticed for the last one year after the new regime came into power; with the powerful opposition mounting a non-stop anti-Indian propaganda. How are the citizens supposed to handle this bi-polarism in stand between the two major political parties? One must be transparent to the lay voter. The question of putting the cart before the horse is very much there, regardless of political one-sided assertions or denials. For establishing the rapport, the politicians have to play a pivotal role, based on consensus. What are they doing in this respect?

Thanks for not "drinking"

Sir, Much has been written and is being written about the negative effects of smoking. However, the opinion written by "A Smoker" in the DS dated 14th June made good reading. Though I don't condone smoking, I agree completely with the writer that we do not hear much about the bad effects of drinking. Being a non-smoker and a teetotaler, I have felt the need for a non-alcoholic area in the departure lounge of our international airport. It seems some of the departing passengers buy alcohol from the duty-free shop and immediately start consuming it much to chagrin of the other occupants of the lounge. Can't the authorities declare the non-smoking area non-alcoholic too?

Baseera Ali
Gulshan, Dhaka.

Friendship

Sir, From a book, I came to know the following things to be avoided to maintain friendship. These are very important for us. So I write them for all—

- a) Avoid belittling or mocking someone, b) Refrain from taunting him and hurting his feelings, c) Refrain from using nicknames or titles that he/she hates, d) Avoid backbiting and spying on friends, e) Be humble and avoid snobbishness, f) Avoid attributing evil motives to the actions of friends, g) Avoid those acts that threaten the Islamic prohibitions or drinking, gambling, cheating etc, and h) If three or more people are together it is wrong for two of them to have private conversations together, particularly in a language that the other(s) do not know.

Shahera Hossain Ruba
Tahera Hossain Momy
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Rotavirus diarrhoea

Sir, Rotavirus is the most important diarrhoeal pathogen in infants and young children. Almost half of all rotaviral infections occur in infants aged 7-12 months. All children are infected in their first 3-4 years of life. Rotavirus is more frequently associated with severe diarrhoea than other enteric pathogens. A study in Matlab, Bangladesh conducted over a two-year period from 1987, found rotavirus in 15.5 per cent of stool samples from patients

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"Outrageous"

Sir, On June 17, 1997 a letter written by Mr Khawja Viqar Moinuddin of Dhaka was published under the above caption in your esteemed newspaper. The incident which was narrated in the letter is so base that one would recoil with revulsion.

A girl of four, a mere baby, becoming the victim of perverse act of four males. What a world we are living in! Even the Devil himself will bow down his head with shame knowing he has been defeated by human beings in violence.

I feel deeply for the parents of the unfortunate girl, what an agonising experience it must have been for them!

It is noticeable that, these days tender-age girls are subjected to violence, which was rare in the past and it is occurring more often. What is happening in our society? I think it should be analysed and proper steps must be taken to combat it.

Nur Jahar
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OPINION

Need for Freedom

Just a few days back I read a news item in *The Daily Star* that 32 persons have been captured in connection with Wednesday's (June 25) violent incident in Badda. It is because of such incidents that we (I and boys like myself) are afraid of going out or are not allowed by our parents to roam around in the streets, which are at present so very insecure.

I am rather thin and not physically very strong for my age. It is perhaps because of that reason that my parents think more than twice before allowing me to walk in the streets of Banani alone. At my age I am supposed to go outdoors and spend my time (allocated for fun) playing in the playgrounds or open fields. However, now for fear of kidnappers and such miscreants, I am confined to my 50-feet-long driveway within the gate for my play or exercise.

My father often tells me that he, in his school days, used to walk to the playground three miles away everyday from home just to play football. I wonder whether I could walk such a long distance alone even now. I know that while I am walking, someone will not stick a knife or gun in my back? How do I know that a car will not pull up and a man will not come out of it and hold a chloroformed cloth on my mouth to haul me off? There are so many stories nowadays of children being kidnapped for selling their organs.

Kidnapping and such other criminal activities were present in Bangladesh also in the past.

But recently such criminal activity has increased so phenomenally that nobody seems to be able to do anything about it.

Just a few days back, an adolescent girl was kidnapped by two women from a place near to Jahangirnagar University campus in Savar. She was made unconscious and taken somewhere far away from Savar. When the girl regained consciousness, she shouted for help. The people around were attracted by her voice and the girl was luckily saved. The miscreants were also caught. There are some cases where the victim is not so lucky. The son of a guard in the same university did not come back from school one day. It is rumoured that his dead body was later discovered and the head was missing.

These are just a two cases which occurred within the past fortnight. Hundreds of such cases are occurring throughout the country every year.

I am confident that the police authorities are tying their best to deal with the situation. However, some of the policemen are alleged to be rather dishonest. They are often blamed of accepting bribes and letting lawbreakers get away. As a result, the true criminals are often not caught and they keep on doing their criminal activities. On the other hand, innocent people are sometimes caught on suspicion, without any proof, and are sent to jail. Sometimes they are beaten to death by the "janagan" on rumour and suspicion. This is, however, not the "janagan's" fault. They, too, are scared of the uncountable number of terrorists and child lifters and would grab at any chance to catch them and get rid of them without trying to ascertain whether the suspected "terrorist" is guilty or not. Although the government says that no one should take the law in his own hands, yet people become highly emotional and cruel (as well as 'bibekheen') when they suspect somebody to be a criminal or child lifter.

So, what will happen to me? Some of us are too scared to venture out into the streets (and I don't blame them either) and so remain 'Ghorua' and rather unsociable. Some of us run away from home not being able to remain caged up any longer and then resort to dishonest ways for a living. I do not belong to any one of these types. I do feel frustrated because I am imprisoned in between the four walls of my house. But I am fortunate enough to have parents who can afford a car, which can take me to places without my having to walk to any destination. But what of those who are not lucky enough to ride a car? What will become of them?

I shall leave the answer to those who have taken the time and trouble to read my thoughts, and to the authorities concerned in the government. Bangladesh belongs to all of us each, and everyone of us has the right to walk in the streets without having to worry about the safety and security of our lives.

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Structuring the Rural Infrastructure

An Observer

While welcoming the government's initiative under the new budget to seriously tackle the problem of a speedy development of the rural infrastructure network in the country, it is hoped that the new central coordination agency will not allow the project to be turned into another old *sherbet* in a new bottle.

The exercise is not new — we have become a veteran of failures.

Successive regimes for decades have been grappling with this complex and basic foundation work, which is the very base for poverty alleviation, to pull up half the population from below the poverty line.

What were the weaknesses of the previous plans? The new project outline may be published and debated at specialist seminars and workshops. The detailed planning will take quite some time (without stopping the ongoing projects), and the initial commencement of the work will not get off the ground easily, as many agencies are involved (the Dhaka City Corporation has similar problems).

The implementation of the first phase is critical for motivation and morale building. Without the minimum take-off speed, the project may once

meanwhile, the proof of the pudding lies in the eating. But we have enough development experience to be successful.

Another issue to be examined is how the private sector is going to be involved in this project. It is a three-dimensional network, with the time factor as the fourth dimension (the fifth is the elusive private sector!). Is there going to be a consortium of consultants for the overall view from the outside for getting the proper perspective to separate the grain from the chaff? How the continuity is going to be maintained in such a complex undertaking? The role of the different local cooperatives may be tapped for closer coordination at the lower and local levels.

The key elements are communication and transport, linked to financial services for marketing and procurement, and storage and transport at the small business level. We have developed microcredit systems, but are still struggling with the micro business world. 'Business democracy' has to trickle down, both in the urban and rural areas, to believe in the concept that "small is beautiful."

Anyway the authorities will be apprised with all the aspects of this complex planning to make vital project successful, to break the isolation of the rural world.