

Refixing Govt Priority

When the government needs to set its development priorities right, some of the projects under the Annual Development Programme of 1997-98 can be said to have done the very opposite. No wonder, the World Bank (WB) has come hard on a number of projects that should by all intents and purposes find their places down the priority list. Projects like residences for the speaker and the deputy speaker of the Jatiya Sangsad and a new secretariat building at Sher-e-Bangla Nagar could better be left alone. Similarly, construction of public schools and cadet colleges with public money too has little justification because the access to such institutions is limited among the privileged class.

We wonder why a democratic government should carry on the dictatorial elitist-bias policy when it comes to fixing national development priorities. It is also very sad that a popularly elected government fails to realise how best to serve the national interests and misplaces the development emphasis. The hollowness of the whole process gets exposed when international organisations like the WB or IMF by default of the government come forward to point out the mistakes. We do not say that all their recipes are sound but when the national government is unable or unwilling to make popular causes its own agenda, the acceptance of such a compromising official position is more than explained.

In the context of severe fund crunch, the government would have been better advised to spend money for productive purposes. The government is already in a soup with the national pay scale. It has no idea where the money for the payment of its employees under the new pay scale will come from. Heavy borrowing from banks by it does not help the cause. Leading traders of the country have already drawn the government's attention to the looming spectre of trade recession and an overall economic slump in the near future. Any government ignores such a warning only at its own peril. So big spending on spectacular but unproductive projects — as is the wont of military rulers — will only invite further troubles in the financial sector. So the government must not only stay cautious against undertaking such projects but also act decisively to overcome the policy debacles.

Predators at Border

Corruption nowadays is a way of life. People have become so familiar with it and so resigned are they to its inevitability that complaining voices are rare these days. Most of us do not bother. But the inclination to exploit people's weakness is so great at times that it borders on sheer cruelty. This is exactly the theme of the daily ritual at the Benapole border where government servants, paid to ensure the observance of travel formalities, are harassing innocent travellers to no end.

Officials in charge of checking the health fitness of the travellers have reportedly created a reign of oppression at the expense of the mental and physical comfort of people intending to visit India or coming to Bangladesh from there. Armed with large syringes as the report in yesterday's issue of a leading Bengali daily stated, the so-called health workers wait with predatory eagerness to pounce upon the helpless travellers. Not immunisation, extorting money from the travellers after softening them up with pompous announcements of injection, is their objective.

Most people are either too ill informed or equipped — mentally or physically — to challenge this nuisance. Besides, picking up a debate on justification with those men dressed in little brief authority in a remote and unfamiliar place like the frontier is neither safe nor desirable. Definitely not for people travelling with women and children.

From health to immigration it is a whole network of corruption of criminal nature that is at work there. 'Pay or stay' seems to be the frightening slogan of these uniformed devils at the border. The cutting edge of this tyranny is felt doubly because of the similar tactics adopted by Indian officials. One can well imagine the sufferings of ailing and aged traveller like Latifa in the hands of these sharks on either side of the border.

India and Bangladesh are two neighbours with a long history of friendship and co-operation. And Benapole-Haridaspur border is a legal route of passage for the people from the two countries. Then why people with valid documents have to be put up with so much hassle and trouble? Can't the two governments do something to chasten their greedy and unscrupulous border officials?

City of Stink

Dhaka has reached a stage where its denizens might very well wish they were anoxic.

Not only the roads or alleys of it, some of the new trappings of the capital have turned into brewing places of repulsive smell — the excretions of a booming 'carefree' population. As the yesterday's issue of The Daily Star printed a sufferer friendly picture telling soundlessly the plight of the passers by on the footbridge near GPO, almost every new creation for public convenience has fallen prey to the indiscreet passion of burdening the earth by unburdening the body.

True, there is no scope for taking anything away from the criticism of our understanding of civic norm and habits but then what about that nationally disregarded term called maintenance? Our aircraft lose wheels at touch down; our footbridges serve the purpose of elevated, open toilets more than pedestrians' safe movement. And underpasses, those newly built subways have reportedly been stinking of late. Have the footbridges and underpasses been built to rot in human excreta? Isn't it the job of the authorities to keep the public places clean? This is something which will follow once the City Corporation takes these problems seriously and goes about addressing them in a forthright manner. One cannot help feeling that perhaps the time is ripe for thinking some statutory and punitive measures to keep the city clean. This is not an unheard of untested ploy to deal with dwellers' callousness about their city's atmosphere. Mass media specially, television can play a vital role in growing consciousness among people.

Dhaka is the face of the country. To keep the city clean and tolerably livable is the challenge before us. Unfortunately, this challenge seems to be getting increasingly out of focus in the light of a needless zeal for novelty.

Was the Petroleum Product Price Increase Necessary?

When an industry or any institution or even a country faces a financial crisis, that is the best time to cut the fat out of its body and introduce some stringent financial and management discipline without passing the burdens on to others.

LAST week the government by a cabinet decision has raised the prices of a whole range of petroleum products. (The Daily Star, August 19) which has provoked widespread protests and street demonstrations by the victims of the price rise. What is more, the major opposition party has called for 'hartal' on August 24th if the government did not withdraw the price increase by then. One understands the anger of the poor victims of the price rise, but couldn't the political parties show their angry protests by holding mass meetings and marches rather than enforcing hartal which, everyone knows, inflicts enormous costs on the economy? Is the loss of production and income of the people compensated by anyone anymore? Shouldn't the politicians especially those who governed the country once before, reconsider their strategies of protests in view of the huge losses to the economy and the sufferings of the poor people whose interests they profess to uphold? Does hartal have to be accepted as an unchangeable cultural trait of this country? These simple and common questions are raised only in the hope that the politicians would reflect and take some rational decisions so as to make a difference in the political culture of the country.

The government has increased the prices of petroleum products as follows: the prices of diesel and kerosene have been raised from Tk. 12.70 to Tk. 12.95 (2 per cent), petrol from Tk. 13.70 to Tk. 21.53 (3 per cent), octane from Tk. 14.65 to Tk. 23.57 (per cent) per litre, and LPG (Liquified Petroleum Gas) from Tk. 185.25 to Tk. 250 (35 per cent) per cylinder. These are the most important revenue earning items on the list and there are some other minor items whose prices also have been refixed. However, attention on the major items will serve the purpose. Any increase in prices has revenue effect, allocative effect and distributive effect on the economy. The explanation given for this price increase was that it

was necessary in view of the high international prices of crude oil (the essential raw material imported for all these products) and the successive devaluations of the Taka over the last year.

The net result of this whole exercise was a sum of about Tk 500 crores of anticipated losses in the financial year 1997-98 in the state-owned Chemical Industries sector only. It was also said that in 1996-97, the Chemical Corporation has lost about Tk. 448 crores. The government statement did not say anything about allocative and the distributive effects of the price increase at all. But the protests and street demonstrations show what the distributive effects are going to be like on the vocal urban private transport sector like 3-wheeler auto-rickshaw and tempo drivers. The mute peasants and hardcore poor, who heavily depend on diesel and kerosene respectively, have no organised strength to demonstrate. They quietly bear whatever the burdens are. But one must also point out that the price increase for these two items is only by 2 per cent which may not be considered too high this time.

However, what is important is to notice the complete silence on the resource mis-allocation effects on the economy due to price distortions brought about by the price increase. Neither the government nor any commentator anywhere have so far touched on this issue. The users of these products in the production of various goods and services will have to bear the consequences and the prices of their goods and services will go up. The 3-wheeler auto-rickshaw drivers are not the only ones in the economy who have to suffer.

Now, the most fundamental question is whether this price increase was necessary. The answer seems to be in the negative since there were other more

prudent ways of tackling the problem. Before explaining this, it would be appropriate to deal with the issues of the ruling world price of oil and devaluation. One should note that the increase of oil price in the international market that was given as a reason does not prevail any more. The world price of crude oil was reported to be \$19 per barrel (the standard Brent Crude) on 19th August (The Daily Star of Aug 22) and \$19.05 on August 22nd (The Daily Star of Aug 22). The international price increase of oil

in Bangladesh, it was to cover the anticipated losses. It has been possible to raise the prices so arbitrarily because this (BCIC) is a monopoly industry. If it were a competitive industry, prices would not have gone up by the same specified amount.

There is another side problem of such extra increase in prices of the domestic products. That is, if the domestic prices have been pushed too high, then that may attract Indian products if their prices are lower.

However, coming back to the

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