

New Pay Scale

The New National Pay Scale has been finally announced for implementation in phases beginning with July 1, 1997 and finishing on June 30, 1999, just six months short of the 21st Century. The originally recommended package has clearly undergone a reality check and what we now have is evidently a whittled down filtered version capable of being implemented but only in a staggered manner spread across three years. The government obligations taper off rather steeply in that 60 per cent of the enhanced salary will have been given from July 1, 1997 to June 30, 1998 and the remainder 40 per cent from July 1998. The old rates of allowances including festival bonuses are to continue up to June 30, 1999. The arrear salary payments would be made in savings certificates as an antidote to inflation.

The package of remuneration keeps above the rate of inflation and to that extent serves the purpose for which the whole exercise was undertaken. Even so, there is no denying the fact that speculations about the new pay scale had already built an inflationary pressure on the economy. The price index has been showing an upturn trend for some time past. The market mechanism should be constantly kept under watch for corrective measures where necessary.

The fitment into the new salary structure, modality of arrear payment, and the various phases envisaged in the implementation of 20 new scales involve an enormous quantity of calculations and records-keeping. Paper-work will most certainly increase. Given the plethora of audit objections that are routinely associated with government payments, complications would need to be avoided very consciously and methodically. Efficient computerisation will be of central importance.

The government employees are entitled to decent living and hence the inflation-adjusted pay hike. But higher salaries garnered the hard way in our resource-poor conditions carry an increased responsibility for the bureaucracy and utility sector employees to deliver the goods expected of them. It puts a premium on efficiency.

Moreover, the pay hike in the government sector is certain to fuel demand for higher salary in the private sector. The national stake is that much higher for all concerned to take note of and ensure that salary raises lead to better performance and higher productivity.

Rumour and Reality

What some students indulged in day before yesterday in the name of registering their protest and resentment is thoroughly condemnable. One wonders how young learners supposed to lead the country in the days to come could resort to such rampant, ugly and mindless vandalism simply because some, one had spread the rumour that the schedule of the 'SSC' examination had been changed. They did not even take a commonsense pause one would normally expect from educated people to check the veracity of the news.

From a deeper look it seems there was more to yesterday's outburst than a mere sense of overwhelming anger of the students. A quarter seemed to have fomented yesterday's anarchy. Whoever chose to gain some mileage, political or otherwise, by using an occasion of common worry for the students did not do a very wise thing by helping these impressionable minds to an early initiation of criminality.

But an even greater source of consternation was the administration. Why did not it react earlier? Why did it give a handle to the evil designers? They cannot get away now by issuing banal statements that some quarters are out to create anarchy. We are sorry to say this makes for a very poor commentary on their understanding of people, time and yes their efficiency. What did they do when they saw resentment brewing among students from confusion?

We think the Education Ministry's role showed the height of unprofessionalism. Even in the aftermath of the ballyhoo they have not done anything to clear the smoke of misunderstanding. The relevant press release is reported to have been worded in a manner that actually bypassed the original issue—holding two exams in a day to save time.

Whether two exams will be held in one day is something that has to be decided after detailed deliberation. But there is no way the authorities can act in a manner that can create confusion and anxiety in students' minds. Students on the other hand cannot behave in such a recalcitrant and unruly manner as they did on Monday.

Tragic to the Core

Thirtyfour persons were killed in a single road accident on Monday morning 18 miles from Brahmanbaria. Of the injured some may die later. It was then brilliant sunshine all around at 11:30 and the bus wasn't negotiating any bridge. There was no reason for the bus driver to lose control from the very start—it was speeding with an unmanageable overload. The driver, as in most such cases, escaped.

This is an old story we are being compelled to comment on for the umpteenth time. With no quarters to see to the roadworthiness of the passenger motor vehicles and no highway patrols to prevent overloading and speeding, the buses are moving death-traps. Who knows if the driver had adequate training or even a driver's licence. Or, as it so frequently happens, maybe it was the helper who was driving. If the tyres and brakes do not betray a motor vehicle cannot just take a plunge unless the man behind the steering wheel was anything but fit. All three possibilities are criminal failures. When an aeroplane crashes, a search is on for the black box to ascertain what led to the crash. We are yet to hear that the police or BRTA had ever tried to know how the accident occurred. Mechanical failures are very easy to establish.

Ameliorating the losses and suffering, helping the families of those that have been killed and hurt, identifying the causes and placing the responsibilities and preventing the causes and penalising the responsible ones—who would do all these? The district administration or the police or the BRTA or the relief ministry? May be all of these could combine to address the road accident phenomenon—preventing its occurrence and handling its aftermath.

No Sir, All is Not Wrong with Privatisation

The fact remains that the country's privatisation programme still remains an unfinished business. The government still controls over 40 per cent of the country's manufacturing assets and it still dominates the banking, utilities and infrastructure sectors by owning up to 80 per cent of their assets. Each year the nation incurs a loss of more than 500 million US dollars to keep the state sector Leviathan running.

PRIVATISATION Board's Chairman Kazi Zafarullah—just six months in office—has come up with a short list of major impediments to the nation's on-again and off-again privatisation process. He told *The Daily Star* last week that three major forces—the organised labour, the bureaucracy and the politicians—are responsible for lackluster performance in this vital sphere of the economy.

The statement of Kazi Zafarullah, however, contains nothing dramatic or sensational—he told the home-truth. Every knowledgeable person knows that the organised labour—actively patronised by vested interest groups in the bureaucracy and political leadership—are working consistently to keep the state sector alive and well-financed. These forces have nothing to lose as long as the nation's economic hemorrhage—caused by perennially losing public sector—keeps worsening.

The chairman of Privatisation Board, however, deserves appreciation for speaking in public about the enemies of privatisation—not many of his political colleagues will do so or did so in such an explicit manner. He believes bureaucratic wranglings, political bunglings and trade union's stonewalling are primarily responsible for the slow process in privatisation, and he tells it publicly—without pondering about selfish interests or personal stakes.

But the chairman appears to have missed out another formidable foe of the country's privatisation programme—the left-leaning intellectuals and observers. Over the years, many things have changed, but this segment of intellectuals and observers seem to have preferred to remain unchanged. Some of them had been directly involved in putting the nation through the nightmare of the wholesale—thereby senseless and irresponsible—nationalisation at the first instance.

In the meantime, the Soviet empire collapsed, the Berlin Wall crumbled down, scores of formerly socialist countries themselves embraced market economic principles, and Bangladesh itself wasted more than 10 billion US dollars during last two decades as subsidies and write-offs for the state-owned enterprises, still this brand of scholars do not seem to be willing to read the obituary of communism. Still they cling to old ideas and utopian values, still they believe the government can and should run business. Still they believe corruption and connection, not economic competition, is the key to economic success and so-called social justice.

Just recently they launched a kind of organised public campaign against privatisation. As reported in a section of the press, they argue that privatisation is taking place at a substantial social and economic cost to the nation. They criticise the government for handing over state enterprises to the private sector at throw-away prices and for assuming the long-term liabilities of the privatised enterprises. They are critical of the owners of privatised enterprises as well. They blame them for engaging in speculative commercial projects like housing and shopping complexes, for causing large-scale retrenchment of labour, and for hindering the nation's industrialisation process.

And there is a section of the press—that knowingly or unknowingly, consciously or subconsciously—gives larger-than-life coverage to this brand of intellectuals and observers without ever wondering the scale of damage that has been done to the nation by unscrupulous ideas of these people.

This section of the press—this writer is constrained to point out—simply does not understand that these people—that they are giving elaborate coverage—to build their own little empires by misusing precious national assets and scarce resources that could otherwise be used for many useful and productive public purposes.

Of course, no suggestion is being made here to dismiss the allegations made by these scholars and observers as worthless self-serving propaganda. It appears that the World Bank at least did not in-

these enterprises at a cost of Taka 936 million, the private entrepreneurs have already spent Taka 636 million for renovation and replacement of inherited machinery. Moreover, the study found that a total of Taka 1808 million is being invested currently or planned for expansion programs.

Seven of the enterprises surveyed saw an average profit of 185 per cent since privatisation. The four enterprises—which have been successful from the very first year—saw an average rise in profit of 122 per cent. Three privatised textile mills saw an increase of 15 per cent

ownership would have drained out Taka 748 million from the national exchequer. Instead these enterprises made a total profit of Taka 333.7 million since privatisation.

The survey also found that in half of the cases the government called the tender more than once to obtain the best possible market price for the state enterprises. In all but one case, the government shifted the burden of long-term liabilities to the private sector owners. How can then someone with objective mind claim that the state enterprises are being sold at throw-away prices or the government is assuming long-term liabilities of the privatised enterprises or the privatisation is being done at substantial social and economic cost to the nation?

Yes, there is a dark side in the privatisation process, and the study is succinct about it. It found that overall employment across the privatised enterprises decreased by about 18 to 20 per cent. Here again there is nothing to be surprised about it. It is a matter of fact that the public sector has at least 25 to 30 per cent fat in its employment. The private sector can't be expected to operate as public welfare agency—it must work efficiently to make profit. Moreover, the study found that although direct employment has fallen, indirect employment, such as, jobs related to contracts, transportation, construction, dealerships and retail trading—have increased significantly in many cases.

Therefore, the case for privatisation is clear. As far as the privatisation of the state-owned enterprises during 1991-96 period is concerned, none of the allegations—made by the left-

leaning intellectuals and observers—seems to have any empirical validity. It can be safely stated that all is not wrong with privatisation as some utopians tend to believe and want others to believe.

But the fact remains that the country's privatisation programme still remains an unfinished business. The government still controls over 40 per cent of the country's manufacturing assets and it still dominates the banking, utilities and infrastructure sectors by owning up to 80 per cent of their assets. Each year the nation incurs a loss of more than 500 million US dollars to keep the state sector Leviathan running.

Privatisation of such a vast state empire will require, among others, a committed and dynamic leadership. What Kazi Zafarullah—a private sector man—did in six months far exceeds what the country's privatisation programme did in 12 years under bureaucratic leadership. Only 13 enterprises were privatised between 1986 and 1996. But within a matter of six months, since he took over the office, the government has already divested 17 enterprises, and many more seems to be in the pipeline.

Kazi Zafarullah is right, besides strong political will, massive campaign and media support aimed at creating awareness among the masses about the benefits of privatisation must be in place to expedite the process of privatisation. But two more things should be in place as well—a private-sector friendly bureaucracy in the Privatisation Board and conveying a strong message to the left-leaning scholars and observers to the effect that their days came and gone by. It's time to move ahead with globally accepted and tested ideas, not to dance with trashed ideas and utopian values.

to do so—it commissioned a full-scale investigation into the matter to find out whether the privatised enterprises are adding to the nation's economic growth or vanishing into something else as these critics tend to claim.

The World Bank study—concluded just recently—looked into all of the 13 enterprises that were privatised between 1991-96. This empirical study found only one of the 13 enterprises in closed condition. In the remaining 12 enterprises—that are in running condition—overall performance has improved significantly and they all have experienced a substantial flow of investment since privatisation. Besides acquiring

in their total outputs, 21 per cent drop in their average cost of production, and 71 per cent increase in their labour productivity. The study found that actual production across all surveyed enterprises increased by 19.5 per cent, average capacity utilisation increased by 3 per cent in 6 enterprises, and total sales revenue in 7 enterprises increased by 77 per cent.

The performance of the privatised enterprises could appear much more impressive if one considers that all the privatised enterprises surveyed had poor machinery, were hugely overstuffed, poorly managed and all but one enterprise were making loss at the time of privatisation. These enterprises, if they were still under state

BANGABANDHU MURDER CASE

Verbatim Text of Cross Examination of Eighteenth Prosecution Witness

Continued from Friday

Q : How many men were there in your gun?

A : Six in total.

Q : Name them.

A : Lance Naik Shau Shuiyan. I can't recollect the names of others.

Q : Did you give statement to anyone other than the IO?

A : Yes, to a magistrate.

Q : Who took you to the magistrate?

A : Police.

Q : Were you in Dhaka on the morning of August 16?

A : Yes, in my unit at the cantonment.

Q : Where were you on duty on August 17?

A : I can't remember.

Q : When did you join your duty after August 15.

A : I was in the cantonment. I performed my duty wherever I was ordered to.

Q : What time you left the Dhanmondi ground?

A : At about 7:00 to 7:30 am.

Q : You have made a false statement involving Mohiuddin to cover up your own crime.

A : Not true.

Q : Section formed during firing and a JCO remained in Charge of two guns.

Q : There were six trucks for six cannons of your Papa battery. Did all the trucks parked at Balurghat?

A : Yes. The trucks were taken away by the MT Havildar after dropping the guns at Balurghat.

Q : Did the trucks come back again?

A : Yes.

Q : Did you see any other truck than these six trucks?

A : No.

Q : Where was your truck in the convoy?

A : My truck was the third one in the convoy.

Q : Where did the other trucks go after your truck stopped at Mirpur Road.

A : I can't say about the other trucks. After my truck stopped there, I set my cannon.

Q : Was there any gate at the entrance of the Dhanmondi ground?

A : I don't remember.

Q : Where did you set your gun?

A : On the footpath of Mirpur Road, which was the north-east corner of the Dhanmondi ground.

Q : There was a camp of Rakhi Bahini at Sher-e-Bangla Nagar. In which direction was your gun targeted?

A : I did not hear any sound of firing at that time.

Q : Did you use blank cartridge during the training and did you hear any sound of

was over.

Q : Wish I could pose some such questions to each of the leaders so that their good sense prevail.

Lily Chowdhury

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Raozan power plant

Sir, I have read with interest your report on this plant regarding constraints of gas supply. May I suggest that this plant be converted to furnace oil firing? This oil should be available from nearby Eastern Refinery. Modifications required will be minor and equipment might be available from Khulna power units which are run on this fuel.

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TSS and card phone

Sir, I have been inspired to write this letter after reading an opinion by Mr M A Sekendar in

your esteemed daily dated Sept 27, 1997. I read several other articles/post-editors on TSS and Card Phones in your and other dailies. TSS Ltd. (limited by shares with government of Bangladesh and Siemens BD) was established to manufacture telecom equipment in Bangladesh. The authority in TSS claims that it is a government organisation and as a privilege sell substandard equipment to others without tender. Some good examples are:

- Card phones to Dhaka and different parts of the country including upazillas.
- Eight digital exchanges from Ital-tel, spt, at different district HQs.
- OKI PABX locally purchased for different government, defence and educational institutions.

None of the above items is manufactured in TSS. With the blessing of some top-ranking officials in TSS, those suppliers take advantage by supplying substandard equipment to the nation at high rate and later maintain their supplied equipment at high maintenance charge. A high level inquiry committee can reveal a lot of untold stories.

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Hey, Friends...

Sir, With great pleasure we have noticed the matter regarding proposal of floating a new section in the 'Rising Stars' where young people would get the opportunity to make friends over phone. Certainly, a new thing in our country, this would become a very popular part of The Daily Star and increase the paper's readership to a large extent. It is our utmost request to take steps so that the new section of phone friends be launched at the earliest.

Some future phone friends

Uttara, Dhaka

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