

Administrative Reform

What could well have been a countrywide spate of administrative anarchy, as if the political stalemate was not enough of a worry already, has been thankfully averted. Prokrichi's Monday meeting with the Prime Minister has yielded a postponement of the agitation programme scheduled to begin from January 8 in protest against upgradation of 329 posts in the administration cadre.

It looked like a folly in common sense that one single cadre stood to benefit from a series of elevations while several other cadres under the same BCS tree were left out in the cold. Now, it seems, good sense has prevailed on both sides: Prokrichi, the 40-member coordination council of all other BCS cadres than the one-some Administration Cadre and the highest political authority in the country appears to be on positive territory.

Prokrichi has done well to decide not to hit the government below its belt and the government, for its part, has stepped out of the path of adhocism it had impudently taken — thanks to unsound advice from shortsighted, most probably, self-serving elements. In our previous editorial on the subject we wondered aloud as to why the more difficult yet the most vital task of service reorganisation stayed put on a back burner while a lot of alacrity is shown to dish out adhocism now and then which maybe pleased some but displeased most.

Therefore, our suggestion was for redoubled efforts to carry out the shelved administrative reforms which promise to put things on an even keel across the board. We are happy to note that the PM is leaving all the anomalies in the services to be removed by the Administrative Reforms Commission in due course. But can we help point out the dampers the Public Administration Reforms Commission has had to come through within a short span of its existence? Its first chairman Ayubur Rahman resigned in record short time and so has Fazlur Rahman, his replacement, who had reasons to be distraught with the disinterest shown in allotting a proper office to the commission, let alone providing other logistics.

We believe there is plenty in the file cabinet already by way of accumulated recommendations for service reorganisation and reform. Let these be dusted, looked up and utilised at the earliest.

Welcome Flash at RU

If the Jamaat debacle in Monday's Rajshahi University Teachers' Association election is a news of the year so early in the year, there was something more unusual and satisfying in the same polls, meriting surely to be a landmark in the history of political development of this new-emerged nation.

The Awami League and Bangladesh Nationalist Party and the left parties together contested the election on one joint panel. This panel swept the election with an average per-candidate lead of 300 in a field 456 voters. BNP won the president and treasurer posts with five memberships. AL and the left parties won the Vice-President, General Secretary and Joint Secretary posts together with five memberships.

For once AL thus recognised a more vicious enemy in the Jamaat than the BNP. And, vice versa, BNP recognised AL was a lesser evil than Jamaat. It cannot be denied that this has been a purely local development depending upon purely local needs and that it will be downright foolish to expect this to have any influence on the national performances of these parties. And it will be very plainly wrong to see in it any beginning of any departure from the positions of the major parties.

Still this is no dismissable freak either. Far from it. On two counts this becomes an important event worth reckoning not only by politicians. First, this decidedly breaks the growing myth that AL and BNP, like Rudyard Kipling's East and West, 'shall never meet'. If the two feel that the nation as well as their parties would stand to win from some joint action, they would surely go for that. Unfortunately such a situation has not developed so far and the nation's weal continues to occupy a second seat after the prime politics of dislodgement of government or continuing in it.

Secondly, the Rajshahi results should come as a lesson for the Jamaat. Whether they learn from it or not, there is ample proof here of the bankruptcy of their policy of capturing and brutalising not only the campuses but the universities and colleges themselves.

The way to national progress must be for the time being negotiated by a two-wheel contraption.

Good for Cricket

We are delighted at the news of return of the nine-nation cricket meet to Bangladesh. It is no longer Sharjah. It was mooted to be Dhaka. And it is Dhaka.

Although a sponsorship wrangle has reportedly led to the last minute change of venue, Dhaka has no reason to feel it has won the race for venue by default. For sheer financial potential Dhaka Stadium is ahead of most cricket arenas in the world, let alone Sharjah where cricket as a culture is still struggling to strike roots.

But how a tournament that is not destined to see local participation will serve the cause of the game in this country? It will. And it will in more ways than one. The assembly of the nine Test playing nations will have a ripple effect of its own. Bangladesh's arrival on the world cricket map, if only as a host of a truly international and participatory meet will be trumpeted, as has been never before. Dhaka will be the centre of attraction for cricket authorities, cricket lovers and the businessmen around the globe. In fact, if all goes well, the impact of the cricket fest from October 26 to November 4 would be magical.

Apart from projecting Bangladesh as a viable and lucrative centre for such tours in future, the meet is likely to play magic in setting the stage for an avalanche of cricketing talents. But the meet would be a mere mercantile exercise if the Bangladesh Cricket Board gets too much hooked on the business aspect of the game and fails to address the requirements for the development of the game in this country. Because unlike more established nations, more precisely those who have the test status with an well entrenched image in the game we have not got anywhere yet.

The Asian Currency Crisis: Lessons for Bangladesh

by Dr A R Chowdhury

The government should encourage investments that generate foreign exchange earnings as opposed to those that encourage consumer imports.

dential real estate.

In early 1997, several Thai property companies threatened default on foreign loans. This drew attention to the rapidly deteriorating Thai property market and possible problems for companies that needed to repay foreign loans. Persistent economic problems, such as huge amount of foreign borrowing, highest current account deficit in the region (8 per cent of GDP), and a weak banking sector characterised by default loans, made the situation worse. Some foreign investors started to question Thai's ability to repay, and began taking out their money from Thailand. Many foreign investors and Thai companies rushed to convert their baht to US dollar anticipating that increased selling of baht in the foreign exchange market would lower its value. Adverse domestic economic news coupled with speculation that Japan would raise interest rates, precipitated a downward pressure on the Thai baht. The central bank, Bank of Thailand, responded by buying up baht with its dollar reserves, hoping to keep the value of baht stable. Interest rates were raised in order to discourage baht sales by making baht-denominated bonds and savings more attractive. The higher interest rates, on the other hand, made it more expensive to borrow money to pay for stocks and real estate, thereby lowering their prices.

In the meantime, the Bank of Thailand began running out of foreign exchange reserve to support the baht. Finally, on July 2, the Bank stopped defending the baht's fixed exchange value against the US dollar, and floated the currency. During the last six months, the exchange value of US dollar has more than doubled against the baht.

For the first time since the Mexican currency crisis in 1994, exchange rate pressure in Thailand spilled over to the currencies of the neighbouring countries, including the Indonesian rupiah, the Malaysian ringgit, and the

Philippines' peso. These countries had a number of features in common with Thailand. Indonesia, Malaysia, and the Philippines had all been affected by an economic slowdown in Asia. All had current account deficits and accumulated huge debt. Moreover, their financial sectors had large exposure to the real estate sector due to a phenomenal appreciation of property prices.

The devaluation of baht alerted currency speculators across Asia and led to panic selling by companies who wanted to protect themselves because of their large US dollar-denominated debt. They bought US dollar as a hedge against future devaluation. This led to a frenzy of selling various Southeast Asian currencies and buying US dollar. Consequently, the rupiah, the ringgit, and the peso fell in value like dominoes in a row.

The panic spread to Hong Kong, where the economic growth has been fuelled by heavy borrowing. One cause for this panic was the uncertainty about Hong Kong's ability to sustain its currency peg to the US dollar following the realignments of other Southeast Asian currencies. In addition, the US dollar's nominal appreciation of about 50 per cent against the Japanese yen since mid-1995 pulled the Hong Kong dollar along with it. Moreover, Hong Kong's inflation rate had consistently been higher than the US rate indicating that Hong Kong's currency had appreciated in real terms relative to the US dollar. Amid the mayhem, Hong Kong's de facto central bank, the Hong Kong Monetary Authority, stood firm and talked tough. It spent an unknown portion of its almost 100 billion US dollar pool of foreign reserves to defend the fixed value of its currency against the US dollar.

To defend the peg, the Hong Kong Monetary Authority reduced liquidity, thereby raising money market rates. Hong Kong's fixed exchange rate system, known as a currency board, gave its monetary authority a tool not enjoyed by

any other central bank in the region — an automatic and theoretically unassailable mechanism for keeping exchange rate stability — no matter how high interest rates must go. Despite a wave of currency depreciation that has swept through the various countries in this region, only the Hong Kong dollar has clung on to its peg to the US dollar.

The next domino to fall was South Korea. In early 1997, several Korean conglomerates, having borrowed heavily, went bankrupt. Bad loans in Korean banks began to rise. This led to a flurry of selling of the Korean currency, won, in the foreign exchange market. By mid-November, the central bank of Korea stopped defending the currency, and the won collapsed.

The current fears swirling around the Asian financial market has raised a new question: Is Japan next? The collapse of the Yamaichi Securities, Japan's biggest ever corporate failure, has called attention to its ailing financial system. Japan's banks are crumbling under a mountain of bad debts. The government is hesitant to begin a cleanup of the financial sector because the tax payers would protest at footing the bill. However, much is at stake here. If Japan waffles, investors may start selling off Japanese stocks and bonds and lenders may cut down on loans to Japanese borrowers. This would trigger more failures in Japan's financial system and would prolong the country's economic stagnation.

Events in the last few months in various Southeast Asian countries could affect the rest of the world in various ways. Probably the most important are the financial market contagion and the effect on trade.

It is well recognised that financial market turbulence in one country can trigger reaction around the world. The international integration of financial markets leave few countries unexposed. Interestingly, except for a few jolts, the currencies

and stock markets in the United States and Western Europe have held steady. This may be attributed to the fact that the western economies continue to grow steadily and are well-placed to withstand a shock to growth.

The most damaging and lasting effect has been to scare foreign investors away from the emerging markets in Asia. This comes at a time when many of these countries, including Bangladesh, is in dire need of foreign capital. Given the absence of substantial foreign financial assets in Bangladesh, it doesn't face the possibility of a capital flight. Speculative attacks on the Taka also appears remote due to the absence of any credible foreign exchange market. However, Bangladesh's ability to attract foreign private capital would be greatly hampered. The possibility of foreign investment from countries, such as, South Korea and Taiwan would substantially decline.

On the trade side, weak growth will depress the import of the Southeast Asian countries, while devaluations will make them more competitive. This would affect Bangladesh in at least two ways. First, the slowdown in the world economy could adversely affect the growth of Bangladesh's exports. Moreover, Bangladesh's exports would face stiff competition from exports from countries with devalued currencies. Foreign companies which might have toyed with the idea of setting up joint ventures in Bangladesh may find it more profitable to relocate in countries with devalued currencies.

What can Bangladesh learn from the recent experience with the currency crisis? An objective analysis of the events in the Southeast Asian countries would provide important

lessons for the policy makers in Bangladesh.

First, Asian countries in the last decade used imported capital to help generate high investment rates. This imported capital had as its corollary large current account deficits. The crisis was worsened by badly run and poorly supervised banking systems, as well as by sharply overvalued exchange rates.

Second, a fundamental lesson from the currency crisis would be to avoid an early misdiagnosis of the crisis. For instance, Thailand's financial crisis was initially seen as a liquidity problem rather than an issue of solvency. Valuable time was lost before the government began to realise that a fundamental change in economic policy was required.

Third, the weak initial response to the crisis by many Asian government prolonged the debacle. In Thailand, for example, the government's political weakness clearly hampered efforts to change. In Malaysia, where political decision-making is more concentrated, there has been resistance to the notion that current difficulties have partial home-grown characteristics. Similar obstacles are present in Indonesia and the Philippines. The government's response should be swift and resolute. They should act fast to clean up financial systems hobbled by bad debts. The speed and scope of needed reform should not be underestimated. The government should promote transparency in its policy making. It should also have the political courage to accept short-term pains, such as shutting down unprofitable financial institutions for long term economic progress.

Finally, the government should encourage investments that generate foreign exchange earnings as opposed to those that encourage consumer imports.

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BANGABANDHU MURDER CASE

Verbatim Text of Cross Examination of 43rd Prosecution Witness

Continued from yesterday

Following are the excerpts from cross examination of PW-43 Prof Khorshed Alam by Abdur Razzak Khan, the defence counsel for Lt Col (ret'd) Sultan Shahriyar Rashid Khan:

Q: Which ministry Khandaker Mushtaque was in-charge in the Bangabandhu's government before August 1975?

A: He was in-charge of the Commerce and Foreign Trade ministry.

Q: The statement you gave in the court involving Col Shahriyar was false.

A: My statement is true.

Q: Shahriyar never went to those conferences.

A: He was there.

Q: How many people were present at the conference held at the Daudkandi Madrasah ground?

A: I don't remember the exact number, but it would be around 100.

Q: Who dissolved the parliament after August 15 and when?

A: The parliament was dissolved in November by a Martial Law order.

Q: There was a change of government under the leadership of Khandaker Mushtaque Ahmed on August 15, 1975.

A: Yes.

Q: Martial Law was promulgated on that day.

A: I can't recollect now when the martial law was promulgated after August 15, 1975.

Q: The statement you gave was with the mandate of your party.

A: This is not true.

Q: You don't know Shahriyar. You saw him in this court and he was identified to you here.

A: It is not true.

The excerpts from cross examination of Prof Khorshed Alam by Sharfuddin Mukul, the defence counsel for Taheruddin Thakur:

Q: Among the eminent politicians of Comilla, three are now present at the court. You are one of them, another is Chief Special Public Prosecutor Serajul Huq and the other is accused Taheruddin Thakur.

A: Yes, correct.

Q: All three of you were very close to Bangabandhu.

A: Yes.

Q: You three were elected members of parliament from separate constituencies of Comilla in 1970.

A: Yes, but that time we were elected as MNAs. We were elected as MPs in 1973.

Q: Khandaker Mushtaque Ahmed was the President of Comilla district Awami League in 1970.

A: Yes. I was the No. 1 Vice-President. After Khandaker Mushtaque Ahmed, I became the president.

Q: Were you in the central committee of BKSAL in 1975?

A: I don't remember.

Q: In the Bangabandhu's cabinet, three ministers were from Comilla. They were Khandaker Mushtaque, Mizanur Rahman Chowdhury and Taheruddin Thakur.

A: Yes. But Mizanur Rahman Chowdhury was later dropped.

Q: You were jealous of Taheruddin Thakur after he became the minister.

A: It is not true.

Q: Do you maintain personal diary?

A: No.

Further texts of cross examination will be published as and when received.

—UNB

A "Foreigner" Comes Home

by Dr. Fakhruddin Ahmed

People have a great deal of difficulty with the truth here. Moral values and public life have been placed on separate tracks — the twin never meets.

EXPATRIATE Bangladeshis prefer Bangladesh Biman as the mode of transportation to Bangladesh. Aside from sentimental considerations, it is the only airline that heads directly for Dhaka. Seasoned travelers are aware that Biman's in-flight service is very good, and that its ground services are not that good.

Bangladeshi-Americans boarded the Biman flight from New York on December 21, with a smattering of non-Bengali Indians headed for Delhi, and West Bengalis headed for Calcutta via Dhaka. Once inside Biman, a Bangladeshi feels halfway home. For the sake of the foreigners, I have always wished Biman's English announcements were a little more comprehensible. Right now, they are not!

Settling down in my seat, I began sampling Biman's audio selections. There was the recitation from the holy Quran, western classical and pop music, Rabindra Sangeet, modern Bengali songs, and surprise, surprise, old old Hindi songs! I felt sympathy for the "shurokaars." All the haunting tunes, enchanting melodies are taken. They have to navigate through the minefield of existing tunes. Any infringement would bring charges of plagiarism. A "shurokaar," dilemma is that of a satellite launcher who finds that all the favourite orbits are filled, and that he/she has to chart a new course. The world of tunes, like the orbiting satellites, is extremely crowded.

Two songs by Runa Laila grabbed my attention: "Shipli" and "Aanchal charona charona." I had not kept up with Runa since she was a teenage sensation in the fading days of Pakistan. Listening to these two songs reminded me how much she has grown in music virtuosity and stature. Caliber-wise, I have to place her

alongside my all-time favourite vocalist, Lata Mangeshkar.

Biman's landing at Brussels was reasonable. The two landings at Delhi and Dhaka were too rough for comfort. The pilot seemed to descend too quickly. Only a few hours after we landed, another Biman would crash-land at Sylhet.

Prior to landing at Dhaka, a stewardess handed me a disembarkation card meant for "foreigners." As I was mulling over the irony, the airport immigration officer rubbed it in even further: "Do you have brothers and sisters in Bangladesh?" After the usual, interminable delay in receiving our luggage, we exited through the customs, and were truly home.

What brings us back? The native soil, we are sons of, of course. The pull exerted by the native soil is enormous. A Texan colleague had brought soil all the way from Houston to New Jersey to make sure that his new-born was born under Texas soil!

Having suffered respiratory ailments and allergic reactions on exposure to Dhaka's ominous pollution, this time I was determined to bring a real, protective mask. The mask filters polluted air through two cartridges which traps automobile exhausts and particulate. On my second day, as I wore this out-of-the-world looking contraption, a handicapped beggar started laughing at me. I laughed back. When two people laugh for no reason, it is a free fall into the depths of laughter. The only difference between us was that I was laughing in fresh air!

Improved transportation made our obligatory trip to our ancestral homeland easy. We reached our destination near Feni in about four hours. These days village Bazaars are like mini-towns, complete with electricity, gas and telephone. The only complaint I have is that when you come from

abroad, you are made to feel like a grain of sugar in an ant colony. I felt like telling my village "dhunis", many of whom I doubt my relations long lost. "Hey I am human too. See, I have arms and legs. Don't give me that look!" In the village, it was great to see the stars in the sky — a pleasure denied us due to pollution at Dhaka. Who would have thought that the Bengali name "Dhaka" would come to mean noxious cloud cover!

There is no rhyme or reason to Dhaka traffic. Traffic lights are mere suggestions, to be obeyed or ignored at one's convenience. Then there is the question of hospitality. Refusal to eat at someone's house is tantamount to insulting the honour of the family. Whether one is hungry or not, is not the issue. That you have to eat is a given. If the hosts could be convinced that how much one ate bore no relationship to how the guest actually felt about the host, perhaps they would moderate their insistence.

In many households, tea comes already made up — complete with sugar and milk. Out of politeness, sometimes I suppress the fact that I drink "black" tea — which has acquired the intoxicating term "liqueur" locally. I wish I could be as brave as the Australian visitor who announced on entering our house: "I know Bangladeshi culture. I respect and admire Bangladeshi culture. But please, I am not going to eat anything!"

On our last visit to Bangladesh two years ago, I asked my younger son what he thought of Bangladesh. "Disorganised", he answered. That pretty much sums up things over here. There is no equilibrium in politics, only extremes. One is either a diehard supporter of the Awami League or its virulent critic. My associates tell me that if BNP had

signed the CHT accord, the Awami League would have been just as vociferous in protest, as BNP is now. The two major parties shout at each other at the top of their voice, drowning the merits of each other's points of view. More listening, and a little reticence would help. The writer was severely criticised by friends and well wishes for writing a piece in *The Daily Star* in support of the CHT accord. On such 'controversial' matters it is better not to take sides, friends advised me. I was unaware that I was taking sides; I merely expressed an opinion. Bangladeshis living abroad do not much care whether BNP or Awami League is in power. What they care about most deeply is the integrity and sovereignty of Bangladesh. Any party tinkering with either will meet with the wrath of Bangladeshis everywhere.

Bangladeshi mosquitoes impressed me. Unlike their American cousins who feed on the oblivious of the mortal danger that lies the flick of a hand away, Bangladeshi mosquitoes are so sick. They run sorties at every angle, testing the weakness in my mosquito net defense. If they find one, they make the best of their meal ticket. I wish our politicians demonstrated the same single-minded dedication to the task at hand.

People have a great deal of difficulty with the truth here. Moral values and public life have been placed on separate tracks — the twin never meets. American President Harry Truman had summarised the accountability of the President in the famous saying, "The buck stops here!" In the Bangladeshi parlance, the bucking of the downward social trend has to start with the political leaders. The nation's morality, integrity and honour derive from that of its leader.

animals are slaughtered everyday in Dhaka unlawfully. But Mr. Maen, I thought that these animals consists of cows, goats and chickens — not dolphins, Royal Bengal Tigers and elephants. These animals are "slaughtered" because of consumption only.

I would rather say that for the size of a mega city as Dhaka, 300 animals are way too less. In other parts of the world, the number of animals slaughtered everyday are much higher.

Then Mr. Maen you mentioned something about law. Tell me, how does law come into this? Being a Muslim-majority country, most of the animals are slaughtered according to Islamic way. Therefore the Law enforcing agency has nothing to do but to sit back and have some tasty chicken drum sticks or kebabs.

"A smile costs nothing" by Mr. M. Zahidul Haque really

pasted a smile on my face. It is true how important a smile in our lives could be, but on the other hand, we not only refrain ourselves from smiling but label those who do smile as being a bit nutty. Smiling is one of the best remedies I always suggest to everyone I meet.

"Rich Food" by Dr. Sabrina Rashid was also a correct observation. The sign of richness is normally centred around obesity.

As she rightfully said, our country lacks proper recreation places. Evengoing to the zoo no a days has become a losing of head concern. So what do you normally do when you have an abundance of money? Blow it on food of course.

What a stupid question, right?

Masroor Ahmed Deepak (By e-mail) Dhaka

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Tedious task

Sir, So far, I understand that "university" is a broad concept. And it is broad in the sense that there are a number of teachers who are highly educated and the university library is rich with sufficient collection of books which are very much needed for the students. But as a university student, it is a matter of regret that we, the students of Khulna University, have to spend at least Tk 2,000 per year only for photocopying notes. Oh! what a tedious matter it is! Again we have only one

photocopy machine for the students. Even sometimes we are to depend on only class-notes for the final exam.

So I request the prime minister: "Please! allot some money only to buy books".

Shetu Khulna University

One day's dispatch

Sir, The January 4th issue of the DS had a letter from Maen Uddin Sabuj on "Slaughtering of animals". Mr. Maen raised a very emotional and sensitive issue as to how more than 300