The Baily Star

Founder-Editor: Late S. M. Ali Dhaka Sunday, March 29, 1998

Land Encroachment

Barely a week has passed since we last commented on government decisions linked with construction that are playing havoc with its loud commitment to preservation of the environment. And here comes another disturbing revelation. According to a national daily some people allegedly with a pretense to authenticity are out to erect a market complex at the Osmani Uddyan. Now, this is not the first time that this sylvan course has come under an assault of commercial intent. Quite a bit of ballyhoo was created in the press recently when some people occupied parts of the ground in the name of hawkers' market. What worries us most is that the trend is continuing and the government despite repeated exposures of such cases has so far preferred to turn a blind eye.

There is no doubt that land crunch is one of the major obstacles to many a project aimed at improving the living standards of Dhaka's denizens. Quite a few of them have been on the list for years as the government has not been able to allot space from its own or khaas land. Main problems are the suspect and tangled legacy of ownership and the complicated laws of the land. Making the most of this situational reality a group of unscrupulous people is grabbing government-owned lands as nobody's business.

This is a most unhealthy syndrome for a civil society. We all know that with the demographic index spiraling against the static background of space, the demand for land will only grow. But if the authorities fail to put the whole dynamics of demand and supply in an inviolate cycle of sacrosanct statutory principles of commerce, the city would soon turn into a playground of real estate thugs. That lack of coordination among different government agencies is eminently responsible for this chaotic use of land in the capital city cannot be any more in also. This whole area which previously belonged to the railways is now owned by the Public Works Department. It has been a couple of years since the decision was taken to hand over this place to Dhaka City Corporation but for reasons best known to the people concerned that change of authority has not taken place.

The government can ill-afford such indifference to urban land management.

First Impression Matters

There has been a modest increase in tourist arrivals. Percentage-wise, it sounds somewhat impressive - 9.97 per cent over the level recorded in 1996. But when one takes the absolute number into account - 182,420 arrivals to be precise - one cannot be quite elated over the growth profile. Indeed we have a long way to go before we catch up with other tourist destinations in South and Southeast Asia.

Their arrival and earning figures are quite high. A relatively stable political climate and an increased exposure of the country through economic and trade links are ascribed to be the reasons for the increase in the number of foreign visitors. Admittedly, most of them were not drawn to Bangladesh for pure tourism, rather they came here on official or business trip.

This 'incidental tourism' can be turned into a more stable and besought kind of tourism provided we offer business-cum-pleasure packages to the visitors in tandem with tourist operators in South and Southeast Asia regions. For this to happen we must first of all upgrade our own tourist infrastructure bringing it to at par with that of the neighbouring countries.

Investment opportunities do have a way of enhancing tourist attraction of a country. But the first impression that one gets on arrival is crucial to both expansion of tourism and investment in a country. The hassle at the airport can certainly be minimised. The crowding, traffic congestion, garbage-littering - in a word, the highly polluted environment of the capital city - are not insurmountable problems either. Neither pestering is. It is definitely possible to give the impression of a reasonably disciplined, streamlined and clean city if somebody took charge.

Most foreigners praise the beauty of Bangladesh's interior. With the CHT in a peaceful tourist frame we have a big embellishment round the corner. Let's make Dhaka, the gateway to it all, more welcoming, more friendly to visitors and residents alike.

Parental Duty

A leading Bangla daily on Saturday reported the poignant tale of a young woman who had to fake her identity in order to fend for herself in an insecure and hostile milieu. A human rights organisation recently rescued her from the mental asylum in Pabna where Toompa had been living for some years out of sheer fright of the society.

The comely young housewife had to think up this rather desperate measure when she discovered that her husband with whom she had eked out a tolerable existence for five years had sold her off. Toompa was lucky in the sense that she enjoyed that little slice of luck in evading the grasp of her 'owners'. Running from place to place and contemplating suicide as the only way out, Toompa finally found out that it was perhaps in the disguise of an insane woman that this society may not mind her living. Toompa just did that and got the reprieve life was otherwise denying her. The culprit ought to be severely punished.

Toompa's tale of suffering is not unique. Most young girls in this part of the world whose mothers die early and fathers marry a second time leading to their premature marriage land in a situation like this. The tragedy therefore was no inexorable compulsion on Toompa's part to be exposed to such cruelty at an early age. If her father had put his foot down about her daughter's education or equipped her with had skills to earn instead of sending her to the unfeeling guardianship of distant relatives. Toompa would have not been required to marry comebody against her will and face the eventual-

The real parental obligation to children, particularly the girls, to help them see the necessity of education and other life skills in order that they can lead a useful and dignified life.

Foreign Investment Mystique: The Kafco Case

mystique has been created in Bangladesh which seems to be thoughtdominating the processes, as it were, of many people especially the policy makers of the country, whether in or out of power, about the role of foreign investment. This quasi- mystical feeling can be articulated in the following terms: If foreign investment come to Bangladesh in sufficiently large volume then the economy will grow rapidly, unemployment and under-employment will nearly vanish. per capita income level will go up sharply, poverty will be eradicated, and the country will jump into, at least, the league of the world's "Middle-Income" group of countries. Most of the problems of economic backwardness and slow growth, or the so-called " vicious circle" of poverty, will disappear giving way to another so-called "virtuous circle" of high consumption, high rates of savings and investments and a high rate of selfsustaining growth. All these are some outworn clichés of Walt Rostow popularised in the

development literature of the 1950s vintage. However, based on these, the believers in the mystique seem to think that there is no need for any hard choices to be made on reform measures needed to inject vitality into the socio-economic structure of the country. No reorganisation and no cutting down of anything will be needed while foreigners will come and add new investments to create new industries and provide new income and employment to the unemployed. Only thing that has to be done is to give the foreigners all the necessary facilities and opportunities to invest. If such a state of things can be put in place, everyone including the unemployed can improve his lot. That is, no one will get hurt but everyone will benefit, a Paretian illusion. It is argued

The need for a drastic reorganisation of the structure of the economy to give proper incentives to the domestic entrepreneurs, genuine workers and farmers, the financing and management of the entire government sector including state-owned enterprises, and the internal control system of the economy has become urgent and unavoidable. dustrial expansion. If such a

in this article that this is nothing but a pipe dream. Foreign investment has to be screened and negotiated properly for the benefit of the country. KAFCO provides a good example of

such a need. Further, the need for a drastic reorganisation of the structure of the economy to give proper incentives to the domestic entrepreneurs, genuine workers and farmers, the financing and management of the entire government sector including state-owned enterprises, and the internal control system of the economy has become urgent and unavoidable.

Nature of Foreign Investments

It should be brought to the attention of everyone that there are two types of foreign investments: portfolio and direct investments. A summary statement can be made about portfolio investments. That is, portfolio investments in the shares and stocks as well as in bonds (of course, a formal bond market hasn't come into existence in Bangladesh yet) in the secondary market are not of much help to the development of the economy. A large volume of foreign short-term funds may come in and may be invested in the shares and stocks available in the secondary market pushing their prices. This price push creates a strong demand for the shares of companies which have raised parts of their capital through selling their IPOs in the capital market. Such a strong demand for the shares of the companies creates a goodwill for them in the market, no doubt, but it doesn't add any fresh capital to the companies for their in-

strong demand is sustained for long, then it gives the companies incentives for developing new industries or for expanding the existing ones by selling their new IPOs in the market. However, if the companies have good track records, that is, have been giving reasonably high dividends for a number of years and have been perceived by ordinary investors to have been managed well then their IPOs will be sold like hot cakes in the market anyway without any foreign participation. This is what has been happening in

these countries' markets in the doldrums. How does the heavy inflow of short-term foreign capital into the secondary markets help the economic development of the Third World countries? The plain answer is that it doesn't. If these shortterm foreign funds participate in the ups and downs of the markets for long time, then these funds are welcome. But such long-term participation is antithetical to their very nature. However, for a Third World country, there should be a lock-in period of at least two years for such funds. It was a



foreign short-term investors

Bangladesh market over the mistake for Bangladesh govlast six /seven years. ernment to withdraw the pre-On the other hand, if the vailing lock-in period. This

should be reintroduced now. invest so much money in the Long-term FDIs, KAFCO secondary markets that the and Mr. C&I Minister prices of shares are pushed way beyond the average dividends

There is no doubt that longpaid by the companies and sold term Foreign Direct Investwhen they have reached their ments (FDIs) are beneficial to peak level and then leave the the developing economies of country, there will occur a the Third World countries beslump in the share market as cause these bring with them had happened in Bangladesh in new technology, know-how and the months of September management techniques to November, 1996. This was open up new fields of economic recognised even by the Report activities which the countries' of the Commission on Capital own capital and manpower Market set up by the governcannot exploit. However, the ment. Such episodes also took crux of the problem for these place in the East Asian and countries is the set of terms and South-east Asian markets conditions that they have to about nine months ago leaving sign. One has to accept the old

dictum in this case that the payers call the tune. This cannot be avoided. But the price of such contracts can be minimised provided the borrowing countries call for open international tenders and accept the lowest but quality contract. It is here that the governments and the negotiators of the Third World countries get involved in scams of "kick backs". Who doesn't know about the past leaders of various countries like the Philippines, Indonesia and even India, to mention only a few, having been in-

volved in such scandals?

The Commerce and Industries Minister Mr. Tofail Ahmed has revealed some interesting information about the KAFCO deal in the parliament last week for which he deserves hearty congratulations. Because he has stated that the former President of Bangladesh General Ershad signed the deal for setting up KAFCO, a 1700 metric ton of fertilizer-producing factory, at a cost of Tk. 2,532 crore while the cost of Jamuna, another fertilizer producing factory of the same capacity, was only Tk. 1,263 crore. A similar urea-producing factory in Chittagong of the same capacity cost only Tk. 1,520 crore. The government had to sign 90 memoranda for KAFCO with strong terms and conditions. What was still worse was the fact that the domestic gas had to be supplied to KAFCO at Tk. 34 while its sale price in the market was Tk. 41. In view of these stringent conditions, exorbitant capital cost and loss-making gas price, he clearly couldn't see that KAFCO would ever be profitable in the future. All these losses will have to be borne by BCIC. It is obvious that the country has

been bleeding economically through this FDI. What the Commerce and In-

dustries Minister didn't develop, however, was the increase in the country's foreign loan burden due to this project. The country's present foreign debt burden has reached the level of over \$16 billion, which is about 52 per cent of the nation's GDP. Two questions should be raised: (i) How much of this total foreign debt is due to KAFCO deal ? and (ii) who is the beneficiary of the exorbitantly high price of KAFCO? Further probe is necessary to answer these questions. One hopes that the Commerce and Industries Minister continues his investigation of these issues so that the ordinary tax payers who are bearing these extra burden know how much they are paying.

Some Concluding Observations

There is no guarantee that all FDIs necessarily promote the welfare of the people and the country. The benefits depend on the terms and conditions that come with the FDIs. There is considerable scope for making shady deals through these negotiations as have been evidenced in the case of various other countries. The government should investigate the accounts of all the major deals done in the past. If the government wants to uphold the principles of transparency, accountability and fairness in all government transactions, it must bring out what went on behind those expensive deals that country has been lumped

Instead of helping the economy of the country grow, such FDIs may be means of transferring the country's resources abroad through the collusion of domestic individuals with foreign investors. The government has to guard against such hidden way of transferring resources.

Post-election Indian Scenario

Horse Trading and its Ramifications VEN after a Bharatiya

Mr Sukhram from Himachal Pradesh was a Congress minister who was accused of corruption by the then opposition BJP and he was found to possess wealth highly disproportionate to his income. Even cash money worth lakhs of rupees were recovered by the CBI from one of his houses. But he is now the deputy chief minister of the Himachal Pradesh in a government led by the BJP!

over in India following the recent general elections, the post-polls scenario continues to remain interesting because of manifold reasons. The ruling circles have won the first test of strength in the form of being able to get their nominee elected for the important post of the Speaker of the house but the vote of confidence in the floor of the Loksabha flower house of the parliament) yet remains the

→ Janata Party (BJP)-led

government has taken

cynosure. 'It'is widely expected that the new government headed by Prime Minister Atal Bihari Vajpayee will manage to win the trial of strength despite certain degree of uncertainty that exists on the issue. A crucial discussion on the matter began in the house on Friday and the strength is scheduled to be demonstrated after different important leaders speak on the issue. It is possible that a decision on this much-talked about feature of the current Indian political scene will be over by the time when this column is printed on Sunday. However, it is also not unlikely that the discussions may spill over a longer period. In any case, barring unforeseen developments. the government appears set to win the vote of confidence by a razor-thin margin. Something on the contrary is not totally ruled out but the likelihood of such a development seems thin.

The BJP government was in the office for barely thirteen days after the 1996 elections which is so far the briefest for any government in the independent India. The party that time had secured 163 seats in the 545-member Lokshabha and was far short of the requisite 272 which is necessary to govern the country. It had only few allies in some regional parries but their number was too

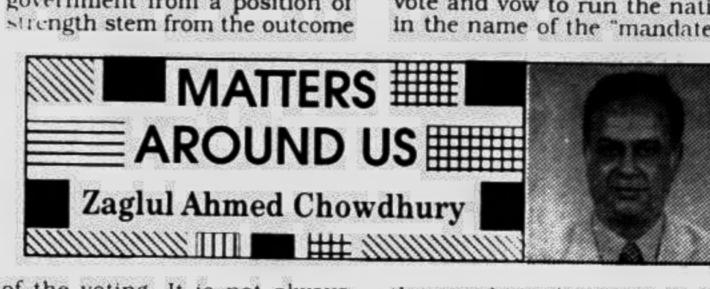
inadequate to give the BJP the strength of reasonable confidence to face the vote of confidence. As such, the government led by Mr Atal Bihari Vajpayee chose to quite before facing the strength in the floor of the This time it is qualitatively and quantitatively different as the government is not a BJP government but a BJP-led one

having other parties and leaders in the composition. Besides, the support base of the BJP has also expanded this time in addition to its own increased tally of 177. It has found tactical support from unexpected quarters like the Telegu Desam Party (TDP) and may be also from National Conference of Kashmir chief minister Dr Farooq Abdullah and "Assam Gono Parishad" of chief minister Prafullah Mahanta. These parties may not directly support the government in the event of a voting in the floor but if they stay away from voting, that itself will favour the government because they all were earlier in the categories of antigovernment forces. If the government wins the vote of confidence, which is very much expected albeit narrowly, it will be a colossal effort by the ruling circles in mustering support from different and difficult quarters. By any chance if anything otherwise happens. which is once again unlikely, that too will be a touch-and-go affair.

However, certain characteristics of the current Indian political scenario are not only interesting and figuring in intense discussion, but that also deserve attention in the context

of democratic values and morality in the public life. Undoubtedly, the largest democracy of the world has absorbed many strains in the past and in all probability it will do the same in the future. It is plausible that in a democracy of such big proportion, problems are at times also of difficult nature. The instable situation in the run-up to formation of a government or the running of a government from a position of

come somewhat normal features. This not too unexpected development notwithstanding. certain indications definitely come as ominous signs for healthy democratic practice even though they do not effectively jeopardise the functioning of the democracy as such. However, these factors do contribute to erosion of public confidence on the representative government's which seek the vote and vow to run the nation in the name of the "mandate of



of the voting. It is not always possible that the polls will necessarily give a clear verdict, and at times fractured judgement by the electorate are also likely. Obviously, gone are the days or era when India used to witness stable government after the national elections with a single party commanding the required majority in the house. For some time past, lack of such support by a single party of group has become the typical milleu in the political arena.

But then the government has to be formed and the country must run. And in the process, such exercises like the formation of coalition government, a government coming into power with critical support from allies from outside the government or early collapse of such administrations have now bethe people and welfare of the

What is the scene that char-

acterises the post-election developments in India? Allies are changing sides, some likeminded parties go all out to extract their due or undue piece of the cake in the exercise of bargaining, some resort to volteface and some literally bring out cash or other kick-backs to win over the rivals or the neutrals. How has the TDP backed out from the United Front (UF) despite the fact that its leader Andhra Pradesh chief minister Chandrababu Naidu had been the convenor of the UF? Why have the National Front and the Assam Gono Parishad virtually parted ways with the UF? A member of the Bahujan Samaj Party (BSP) from the Uttar Pradesh state, Arif Mo-

hammad Khan, said their party members were being offered as much as rupees five crore to extend support to the government side in the crucial vote of confidence. Why should Tamil Nadu former chief minister and the ADIMK leader Ms Jayalalitha drag her feet in extending support to the formation of a new government although she was a pre-election ally of the BJP? Why the independents have become suddenly the most sought after members of parliament because key political parties are after winning them over in this or that form? A parliament member of a major political party ruefully remarked that he wished he were an independent member so that he could have received offers varying from cash money to ministerial berth. What happened in the Uttar Pradesh government forma-

"Horse trading" is a phenomenon that tends to vitiate the healthy political climate in democracy and parties caring for ethics should discourage this tendency by all means for the sake of morality in public life and people's confidence in the democratic institutions.

Former prime minister PV Narasimha Rao reportedly gave huge money to four members of the Jharkhand Mukti Morcha (JMM) to win over their support at a critical time of existence of

his government. He faced the music afterwards because everything of the "secret deal" came to the fore at later stage. Mr Sukhram from Himachal Pradesh was a Congress minister who was accused of corruption by the then opposition BJP and he was found to possess wealth highly disproportionate to his income. Even cash money worth lakhs of rupees were recovered by the CBI from one of his houses. But he is now the deputy chief minister of the Himachal Pradesh in a government led by the BJP!

Where are the ethics that the BJP earlier so vociferously projected?" asked now leader of the opposition Sharad Pawar on Friday while speaking on the vote of confidence. However, Mr Pawar's own party Congress. was faulted for this when it was in power. The leftists are largely free from such accusations in the states like West Bengal and Kerala where they have ruled. Even fireband leader Ms Mamta Banerjee, known for her simple life and dedication, extended support to a party known for its communal stance despite her avowed policies towards secularism. However, Mamta Banerjee and Mr Naidu in Andhra Pradesh have always indulged in anti-Congressism and it is understandable that they cannot back a government at the centre that is dominated by Congress. But they at least not discouraged dishonesty in politics.

Indian democracy has many beauties, but the "horse trading" takes away much of it and this malaise needs to be curbed.

The lady at the bank

Sir, This was on March 15th at around 10 am when a smartlooking young lady came to a Janata Bank branch in Mirpur 10 (round about) to make a pay order of Tk 100 and had to return home not with pay-order but with insult, abuse and humiliation. The lady's only 'fault' was that when she approached the desk of cashier after filling up the form to pay money, she paid with her left hand as her right had was uptied holding her purse and wallet. As she offered money with her left hand, the cashier all of sudden burst into abusive words to the innocent young lady standing in front of his desk, though of course not realising her 'fault'. The cashier continued shouting on top his voice and branding the lady as 'unethical', 'hypocrite' etc.. in front of many people. The people around were stunned and were grappling like me to understand as to what actually has the lady done that brought about such verbal abuse and in-Having realised that the

cashier in fact violated the ethics of client-server relationship and unscrupulously victimising the lady, I strongly began to protest the cashier's behaviour. Then he tore off the lady's form and forced his coofficer to delete her name from the registration book of the payees. Meanwhile his other few colleagues attuned themselves with him and asked me to shut up, though of course I did

not give up. However, none of the clients present at that time raised a voice against this behaviour of the cashier. The lady then had to stand aside in disgraceful manner because she was no longer attended to by anybody inside the bank as if

she was a person non grata. But the question is: is there such constitutional law that prohibits using left hand in financial transaction? If so, why can't the government paste up notices telling the people to use their right hand and not 'undesirable left hand? Or the nationalised banks, which are surviving on tax-payers' money as defaulters sucked out of their resources, are so sanctified places where a client will have to use right hand otherwise face derogatory behaviour? Or is this a discrimination against women as they are not naturally assertive in protesting? For sure not everyone who goes to bank uses his right hand. Still the question is: even if using left hand is perhaps an antisocial gesture in this part of the world, it obviously does not constitute a hypocrisy or an unethical behaviour.

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Barrage fixation

Sir. We Bangladeshis are not mermaids, but we cannot live with scanty water. It affects our psyche and exposes our bile. The morphological shift

from Farraka to Ganga Barrage is marginal physically and mentally; but there are huge gaps to OK the feasibility, and line up the multi-national

The publicity campaign at the grassroots may not be overdone to belie hopes. There have been disappointments with several of over water-management projects in the past (the FAP agitation is a recent example). According to some futurologists on supernatural phenomenon, huge sun-spot activity is likely to create more deserts in the coming decades, while the ozone layer scientists predict rise of the sea level. The mysteries rely more on yugs (viz the Acquarian Age)

Mercifully, the mortal life span is short. Sell mirrors to the blind, or thaw the frozen truth? Reality needs no adjectives. We do not live, we are kept alive. Truth does not depend on confrontation. Most of us would like to carry the root with us like the turtle.

After Ganga Barrage, what next? Our Democracy barrage has many breaches. Repair the leaks before the monsoon.

Dhaka.

AZ

Last trace of modesty? Sir, The fashion creations of the top designers are really quite puzzling. It often makes me wonder whether the western world is on the verge of shedding its last traces of modesty and respectability - at least

that is the impression one gets from the despicably shameful outfits they make their models parade in. But what astonishes me and puzzles me much more is our attitude towards such

Must The Daily Star really print pictures of those models in their skimpy, see-through outfits? Please don't give us the lame excuse of "if they can wear it, why can't we print it?"

Let the western world enthrall themselves in their pervertive culture we are fine without it, thank you! If there are decent outfits in the designers' collections, then by all means print them. But please don't print the kind you printed on 13th March (pg. 8) and on 17th

Shahana Parbeen Lalmatia, Dhaka.

tashions.

Floating on oil?

Sir, On 23.3.98 there was a news item which claimed that the Energy Minister himself was under the belief that there was enough reserved gas for export. And he also claimed that we are practically "floating on oil" and it will make us very rich if we could export them. The next day we heard a different story. Is this a true picture of lack of communication within the ministries and media or are we to expect that Mr. Nuruddin respects his word the same way he does his job?

Masroor Ahmed Deepak Dhaka

Buchwald's COLUMNI

In the Rose Garden

HOR Patersen, a gardener in the White House Rose Garden, was served a subpoena when Ken Starr's lawyers discovered he could see into the Oval Office while tending his bushes. He might have seen President Clinton and Monica Lewinsky in there alone, and therefore, his testimony was vital to Starr's case. When served with a subpoena by 10 FBI agents. Thor turned

to his friend Vernon Jordan for help. Vernon said in no uncertain terms, "Get a lawyer." Thor found a criminal lawyer at the Rose Garden Club of America who agreed to handle his case for \$450 per hour.

But before the lawyer could prepare the case, he was subpoenaed by Starr lawyers who wanted to know what Thor had told him. So Thor's lawyer had to hire a lawyer to defend him for de-

The night before Thor was to testify in front of the grand jury as to what he saw in the Oval Office, a dozen of Paula Jones' lawyers came to his house to take a deposition. Thor told them that he had never seen Paula Jones and Bill

Clinton in the Oval Office together. One of Jones' lawyers said, "May I remind you that you are under oath?" After the lawyers left, a man climbed into Thor's bedroom

window and said, "I'm from the National Enquirer. We will pay you \$500,000 if you tell us what you saw and when you saw it and another \$500,000 if it's true. Thor says, "I didn't see anything."

"OK, this is our last offer. If you reveal everything you know about what the president was doing, we will name a rose after you and we will call it the 'Starr-Thor'." The Enquirer man left through the window. Thor's wife

called up to the second floor. "Thor, Barbara Walters is on Line , and Diane Sawyer is calling on Line 2, and Mike Wallace is downstairs with a bowl of chicken soup." "I'm going to get out of here," Thor said. "You can't. There are 400 reporters on our front lawn and 200

in the back. They said if you try to get away without facing them, they'll shoot you." For the first time Thor was frightened.

"What can I say?"

Thor's wife said, "Tell them you've been hired as the staff gardener for Court TV to do commentary on how Monica Lewin-

sky cultivated for get-me-nots in her mother's apartment." By arrangement with Los Angeles Times Syndicate and UNB