Founder-Editor: Late S. M. Ali

Dhaka, Sunday, April 26, 1998

Students Don't Like It It was no revelation that most university students hate student politics and are all for banning it right now, as found in a study made recently at the DU. However, there was one element of shock and surprise in the findings made by the DU Department of Journalism: the respondent teachers were by and large against any prohibitory action against student politics.

Students had their explanation of the teachers' stand. They mostly believe majority of the teachers were themselves deeply involved in politics, including student politics.

Only the other day we had observed in these columns that the lull that was there in the university campuses was deceptive and things could explode anytime. Hardly had we said that, the DU campus became a battle ground and one student was killed by gunfire. The belligerent student parties have vowed to soon cut each other out in one big bloody encounter.

The outlook is then bleak and sad for peace in the campus. For the politicians would not of their own solve the problem; they are a party to the fray and think they are beneficiaries of a situation that is fast eroding the nation's innards - elan and character, resolve and capacity to act in unison.

That leaves us with the students who suffer the most and yet cannot make their disapproval felt. They have all society and President Shahabuddin supporting them in their denunciation of student politics of the current malignant nature.

The media can offer it some biting strength. But as with the teachers, the media too is riven into contrary camp-following. Well, independent press and, as a part of it, we call upon the government to gift the society two things: a moratorium on student politics in all educational institutions for a span advisably of five years. And, at the end of it students may organise groups and parties but not as front organisations of political parties. This is a practical proposal which would not harm any party and allow the students to be students again. Time and again President Shahabuddin has called upon our politicians to leave the students alone. Parents have made the same demand. Students are now saying the same thing. We urge upon the DU teachers to add their significant voice to what is emerging as a universal demand.

What is Wrong?

Society will take a very long time living down the trauma inflicted on it by the gruesome postrape and murder of school girl within the protective walls of a Gulshan residence. What was that enclosure worth in security terms when an alleged inmate of the household, a domestic aid, who is absconding now, dared carry out his lustful predatory and brutal murder.

Where is a girl safe now? In whose hands? A rare specimen of perverts seem to swarm all around. Streets, courtyards, backyards, railway stations, even the homes of the elite are all becoming equally unsafe for the opposite sex. The libido and blood-oozing violence and inflamed bruises are the stuffs hedonic block-busters are made of these days encompassing the length and breadth of movie screens. The media obsession with detailed presentation of the lurid and the bloody and the titillating and the villainous has overtaken the values of respect for women, privacy and sacrosanctity of households and basic social equilibrium. Tales told with a tangential and suggestive flair generate devilish interest in things that ought to be publicly handled with a greater circumspection and a sense of social responsibility.

The moral values have hit such an abyss that there has to be a galvanisation of all forces — political leaders, NGOs, local communities, police, media, government administrators, educational leaders — to strengthen the social fabric back to its original texture. It is the basics we are talking about that must be gotten right through a social movement.

For the moment though we want an expeditious completion of police investigations, capture of the culprit or culprits and a demonstratively deterrent punishment of the perpetrator. The list has only grown with many of the accused rapists slipping through the fingers of law. This better not happen anymore.

Maternal Malnutrition

Maternal malnutrition is at an alarming level in the country. Three women, as a report in connection with the ongoing National Nutrition Week informs, die every hour due to complications related to pregnancy. Maternal mortality rate is 4.5 per 1000 live births which is the highest in the world. For a country with such a huge young population, half of which being women, it is certainly a worrying revelation. The double-edged danger of the malnutrition problem is that it is not limited to immediate loss of life. The infinitely more frightening is the prospect of having the country peopled by millions of morons. It is our inexorable destiny unless something is done immediately and effectively to reverse this trend because malnutrition is inherited by 50 per cent of the children.

Around 25 per cent of the reproductive or maternal deaths are associated with anaemia and haemorrhage. Though poverty is readily attributed to mothers being generally anaemic particularly in the rural areas, research in nutrition has shown that pregnant women need not necessarily lament poor economic condition or rely on costly calorific food to fight health hazards like iron deficiency. There are quite a few unexplored or ignored items in the world of vegetation around us which if consumed adequately can offset the absence of costly animal proteins in the diet. Besides, the rural people have to be helped out of the cocoons of their myriad prejudices. Increasing use of the media has already left its salubrious mark in this respect but a lot is still left to be desired.

Experts have worked out the potential loss in agricultural production to be to the tune of five billion dollars over a period of 10 years due to maternal malnutrition. What better agenda for our politicians to invest their energy and attention in?

Do the Text-books Create Mindset?

I would say that there is no "mindset" in economics, but there are some basic lessons of economics like efficiency in resource use, increase of national wealth and welfare, economic growth, competition and free and open market processes.

INSIGHT

Kabir U Ahmad

OES economics, or economics text-books, create "mindset", that is, a rigid mental attitude towards the economy and the society? A short answer is that unlike in religion there is no single and immutable final body of truth in economics which can give rise to a rigid unchangeable frame of mind. Its theories have been, and are being, constantly challenged all the time and hence it teaches its practitioners to be flexible and open minded and to be respectful towards new evidences which are confronting the existing body of theory.

Most advanced mathematical and statistical techniques are used in testing the existing body of theories. If after such testing, data do not support the theory, it is then rejected while anything that survives such testing is retained without, of course, any permanent guarantee that it will survive all future testing with larger and newer sets of data. As the old saving at the London School of Economic goes "The bricks are

never dry" in this discipline. Is there any evidence that economic theories have changed? There are plenty. The old mercantilist theory of controlled economy and maximisation of exports and minimisation of imports to enrich an economy was replaced by classical school's free, competitive and open market economy. The classical body of theory developed by Adam Smith, Ricardo, John Stuart Mill, Pigou and Karl Marx etc., was challenged by J.M. Keynes with his theory of managing the full employment economy with public sector intervention which became the order of the day for the period 1945- 1974. This now seems to be giving way to the New-Classical system of minimum control, liberalised and

freer market process. Under Marxian influence and based on Russian experiences of the decade of 1930s, planning became quite a respectable subject in economics as well as a universal practice in almost all the developing countries, but it is now a dying subject. Even in the die-hard Neo-classical economics of Marshall, Hicks and Samuelson and the like, which seems to rule the thinking of economists all over the world. there are theories which are passionately debated and rejected by some and retained by others. One example of such a theory is the good old monopoly. The Chicago school

rejects it as unimportant since its own statistical findings on the working of this theory are insignificant and hence not worth spending any intellectual effort and time while in Harvard, M.I.T and Princeton etc., it is still a subject that is considered worth studying.

Similarly, marginal productivity theory, minimum wage, social choice and welfare maximisation by income redistribution etc., are subjects which arouse considerable intellectual interests among some and indifference, to say the least, among some others. One can rightly invoke the old saying that there are heretics in every temple and they are in good numbers within economics too.

Finally, I would say that there is no "mindset" in economics, but there are some basic lessons of economics like efficiency in resource use, increase of national wealth and welfare, economic growth, competition and free and open market processes. But economists cannot go out into the world and implement these concepts religiously because the world is governed by politicians and government officials (incidentally, government officials were supposed to be neutral and were paid by the society to promote social interests which is not true in Third World countries) who have their own agendas which come in conflicts with the best lessons

of economics. Rationality or efficiency in resource allocation and welfare maximisation is not the ideal of the politicians and bureaucrats; and hence (many times l have heard in the top professional levels both in Great Britain and in the United States that) the economists' impersonal professional advice is mostly rejected and the worst advice (looked at from the point of view of the efficiency, growth and social welfare) given by political advisers are accepted in the top political of-

On the other hand, there are also very few economists these days, especially in the Third World countries, who are not swayed by political partisan interests and hence support the party in power or prospective winners of power and hence are incapable of giving dispassionate and impersonal advice to

new government propelled

them to come together under the

leadership Mr Vajpayee in the

new administration. However,

the government remained un-

der strain as the component

parties in the government take

different positions on several

matters and the issue of corrup-

tion involving some ministers

from different parties came as

the first serious source of irrita-

tion among some of the parties

Singh has not resolved the

problem of "corrupt" ministers

that has embroiled the new In-

dian government. Ms Jay-

alalitha, who enjoys consider-

able influence on the present

government as she lends the

critical supports of 27 members

of parliament belonging to her

party and allies from the Tamil

Nadu for the survival of the fed-

eral government, has demanded

that two other ministers - both

well-known — eminent lawyer.

Ram Jethmalani and former

Karnataka chief minister Ram

Krishna Hegde — also leave the

government because they are

facing allegations of corrup-

tion. Both denied the charges

and are defiant not to quit the

ministry but an insistent Jay-

alalitha says she would not rest

unless they follow suit of her

own party minister Mr Muthia

and now Mr Buta Singh, who

won the recent elections as an

independent candidate but with

the support of the BJP.

The dismissal of Mr Buta

that support the government.

the politicians. All these arguments drive one to conclude that it is not true that economists create a " mindset" which "create the world we live

Labour as Draught Animals

Has economics " created a category called labour which look more like draught animals than human beings" without any creativity? Also has economics " assigned creativity only to a select, rather rare. category of people called entrepreneurs who are treated as royalty" ? This is not a proper appreciation of a discipline like economics which has cleared a lot of garbage from the thinking of the many social scientists. Economics, as is widely accepted, is certainly the most rigorous and logical of the disciplines in the social science

areas. However, let me dwell on

treat "labour as draught ani-

mals". I shall present three ar-

guments in favour of my posi-

sical School which provided

solid foundation for economic

analysis of the modern day

analysis, although some of

their propositions have been

discarded these days, built its

economic theory on the Labour

Theory of Value. According to

it, it is the current as well as the

past saved-up value of labour

services that create wealth in a

society and gives it a rate of

growth. It remains a powerful

first premise of organising

human thinking on what cre-

ates wealth and what generates

have abundance of land, min-

eral and other natural re-

sources, but if labour is not ap-

plied to transform these into

items of goods and services for

proper human use these re-

main untapped Nature's gifts.

Labour has been given here,

To explain, a country may

growth in a society.

First of all, the whole Clas-

Economics certainly doesn't

these two questions.

quite rightly, the status of sovereignty and majesty in economic analysis which no one can dispute. What modern Neo-classicists have added to this are the roles of machine, technology and institutions to widen the concept of factors that contribute to the produc-

tion process of an economy. Even in this framework, labour plays the most critical role in producing these machines, in devising new technology and in running the institutions. Without properly trained labour, none of these items (i.e. machines, technology and institutions) can become factors of production in the production process. Even an uneducated businessman or landowner will appreciate the truth of the statement that it is the man behind these things that brings success to his production process and creates his

wealth. The primacy of labour

in the economic theory of pro-

duction, whether classical or

modern neo-classical, remains

to be emphasised is that in in-

venting a machine and a new

technology as well as in run-

ning and improving the per-

formance of an institution, it is

the creativity of labour that is

finding its expression. To say

that labour hasn't been assigned

any creativity is a mis-

labourer who starts in a fac-

tory may first learn the job well

and later may vertically move

up the career ladder in the same

factory or in another factory

producing the same product.

This is a sign of his learning

and adaptation process, a sign

of creativity. If he knows the

job well, and the production of

the output doesn't need much

capital, he may later become a

partner of a new factory pro-

ducing the same product with a

financier. In the rural areas

where someone starts his life

as a farm labourer, may later

Finally, even an unskilled

perception of economics.

The second point that needs

beyond any question.

turn into a self-employed farmer by having his own cattle and ploughs and by taking land from landlords on cropsharing basis.

This is a demonstration of his risk taking enterprise and creativity. This is happening all the time. However, in the mid-level and upper-level em-ployment of a factory, people who have learnt their jobs well and also see the way the factory is run, go out and start similar factory themselves. This is the way industrial diffusion takes place and workers turn entrepreneurs in a capitalist economy. One doesn't have to go to the advanced capitalist world for such examples. The way ceramic industry and RMD industries have spread in Bangladesh bear witness to such examples. Technical workers and production managers have turned into entrepreneurs in these industries. They are certainly not

"draught animals". The next question that needs to be dealt with is whether "entrepreneurs" are really the "royalty" in economics and whether "entrepreneurs" are the only creative people in economic analysis. Entrepreneurs are certainly creative in the sense that they first explore the possibility of a profitable venture, organise other factors of production like the right kind of labour, technical operators and managers of production and marketing, organise finance, and take risks. The most important element here is the ability to take risks which

fetches them profits or losses. Every knowledgeable person cannot take risks even though he may have the money and organising ability. If he takes too much risk, he may lose everything and may turn a pauper and doesn't remain "royalty" any more. As Schumpeter pointed out capitalism is both a constructive and a destructive process and it doesn't give a permanent royalty position or a condemned workers' position to anybody all the time.

Self-employment

Economics always give a role to self-employment. Selfemployed are those people who want to be their own masters in any economic activity. But the limitation of this category of employment is that a self-employed person, if succeeded, can either be the owner of an industry with or without partners

tage of the growing market for his product by enlarging his scale of operation. He then becomes a big capitalist operator. In such a situation the number of small self-employed group becomes smaller in relation to the organised sector of the economy. Self-employed are included in economic analysis.

employing other workers or

remain permanently a small

businessman. When the econ-

omy grows fast, such en-

trepreneurs usually take advan-

However, I accept the that in the beginning of a career of a poor person with some assistance from institutions like Grameen Bank, self-employment is an important category. But as they succeed, they will not remain self-employed very

Some Concluding Observations

The essential problem is the existence of widespread poverty in the Third World countries. no less in the developed countries. Capitalist system hasn't been able to eradicate this problem successfully. However, it is wrong to say that economists have created the poverty. Poverty has been there all along in all societies, slave, feudal or capitalist societies. The problem is how to eliminate it. Professor Yunus has certainly taken a creative and imaginative step for which he deserves congratulations.

Although I do not agree with his assertions about economics as I have explained above, Professor Yunus has certainly destroyed the old premise of capitalist lending system that bank credit has to be secured by collateral and hence it is only the rich who are worthy of bank credits. Collateral doesn't guarantee the repayment of bank loans, as is being experienced in this and other coun-

The institution of Grameen Bank is a great contribution not only to poverty alleviation but also to the development of new banking system in any country, rich or poor. Since the old trickle-down process of benefits of the capitalist development hasn't been able to improve the lot of the poor. Grameen Bank-type intervention in the economy will definitely have a place in the economic structure of any econ-

This is the last of a two-part article on Professor Yunus and Economics. The first part appeared in the last week's col-

Morality in Public Life: Indian Syndrome There are politicians who really maintain high degree of probity in public life by their laudable standard like

many of the leftist politicians. But this cannot obscure the fact that corruption-ridden politics these days takes

away much of the public admiration of the political system in the world's largest democracy.

PRIME Minister Atal Bihari Vajpayee has shown the ▲ door to communications minister Buta Singh after he had refused to step down being reprimanded by the courts and investigating agencies in a much-talked about corruption case. The present Indian government led by the Bharatiya Janata Party (BJP) is vulnerable as it has to rely on several other parties for the crucial support to remain in power. Prime Minister Vajpayee, who has a clean record of impeccable honesty in his long career as a politician despite the fact that one may find faults with his politics, was somewhat wavering in his decision whether to sack Mr Buta Singh when the minister had said that he had no intention to resign.

Earlier, the surface transport minister R Muthia, who belonged to the AIDMK party of southern Tamil Nadu, had to quit after a court in Chennai ruled that he acquired wealth much disproportionate to his known sources of income while he was the Speaker of the state legislature. The AIDMK supremo Jayalalitha served an ultimatum to the prime minister that Mr Buta Singh must resign from the government after being tainted as "corrupt" and more so when her own party colleague has resigned. The AIDMK minister was also initially unwilling to quit, saying that the whole thing was politically motivated but Jayalalitha herself instructed him to step down as prime minister Vajpayee was also keen to see to it

that the minister is gone. It is just little more than a month that Vajpayee government took over following an indecisive verdict given by the electorate and several parties had to come forward with support to the BJP for the formation of the government as it emerged as the single largest parliamentary group but fell

much short of the required ma-The prime minister is obvijority to govern the country. ously in a delicate situation and These parties which support the appears to be in a fix. He has government both by joining the sought explanations from Mr government and from outside, Jethmalani and Mr Hegde who represent wide-ranging politihave made Jayalalitha their target. Can Mr Vajpayee appease cal lines - at times conflicting to each other. Nonetheless, the both the sides? desperation and need to form a

Mr Buta Singh was earlier an important politician as he was once close confidant of late prime minister Indira Gandhi. When she was briefly in political wilderness following her defeat in the 1977 elections that led to ouster of the Congress from power, the party got divided as many of the senior

easily but that may not be case with Mr Hegde or Mr Jethmalani. Commerce minister Mr Hedge colluded with the BJP in Karnataka state where for the first time the BJP made inroads. Mr Jethmalani has enough support among the intelligentsia in addition to his being a respected figure within

On the other hand, it is difficult to ignore the demands of Ms Jayalalitha, whose support to the Vajpayee government is so crucial that if she withdraws the support, the government will fall and even the Congress

MATTERS ## AROUND US Zaglul Ahmed Chowdhury

Congressmen parted ways with Indira. Mr Buta Singh, a Sikh from Punjab, sided with Mrs Gandhi and was the general secretary of the Congress faction that she headed. His trait of loyalty was unquestionable and he remained powerful. When the Congress later came back to helm, Mr Singh served as home minister.

But things were not cordial for him with Congress in later days and he was denied a party nomination in the last election. However, he won as an independent candidate with None but Congress's foe BJP's support. His elevation as a minister in a government led by the BJP was no surprise. He had no solid political platform and Mr Vajpayee could get rid of him

and United front - two main. opposition forces — can form new government together with Jayalalitha's support.

Allegations of corruption are galore these days for the leading political figures and higher echelons of the administration. Gone are the days when top political leaders maintained an admirable simple life and kept themselves meticulously at arms length from possible charges of corruption. The life of Mr Lal Bahadur Sastri as prime minister when he preferred to live in a hut in prime minister's official residence rather than in the main building is well known. There are other stories when senior ministers quit positions voluntarily taking responsibility of

railway accidents where possibly the occurrences could be linked to bad luck or sheer incidents. Many other high-ups like V

failure of government including

Singh, Chandrasekhar and also Morarji Desai lived upto the reputation of honest prime ministers although there was some murmurs about the business dealings of Mr Desai's son Kanthi Bhai Desai. But Mr P V Narasimha Rao gave an altogether new twist to the impression about Indian leaders when he was not only accused of corruption but mauled as offering huge political bribes and also exerting undue influence to defame political rivals. Rajiv Gandhi was known as

Mr "Clean" but later that image did not remain intact as "Bofors" scandal raised some doubts about his integrity and the matter remains unresolved till now. Narasimha Rao's son Prabakhara Rao, as a member of parliament, was known to have enjoyed state's financial benefits at the behest of his prime minister father. Mr Rao, as external affairs minister earlier, was accused of taking one lakh US dollar from a nonresident Indian to help him in a business venture in collaboration with controversial spiritual leader Chandraswami, who was later put behind the bars on this charge. The non-resident Indian had flown to New Delhi to give all the proofs of paying money to Mr Rao. Worse, Mr Rao as foreign minister, asked Indian consulate in New York to authenticate a document falsely to tarnish the image of V P Singh (what is known as "St Kitts" scandal).

But Mr Rao did not stop there. He with the support of Mr

Buta Singh paid several crores of rupees to four members of "Jharkhand Mukti Morcha" (JMM) to win their support during a trial of strength in parliament and the government that Mr Rao headed. It is in this case that Mr Buta Singh is accused of and had to give in to the demand of relinquishing the ministerial position.

There are other instances like Mr Sukhram as the Congress telecommunications minister earned huge wealth and once CBI discovered cash over a crore rupees from one of his houses in New Delhi's outskirt. He is now the deputy chief minister in Himachal Pradesh's BJP-led government. And Ms Jayalalitha herself was at the centre of several corruption charges when she was chief minister. Several hundred "Sarees" and more than three hundred pairs of "Shoes" were recovered from her house along with good quantity of gold after she lost the chief ministership. However, she says she earned enough as film actress.

"She talks too much about corruption because she herself is a great example of corrup-tion" said Mr Hegde and Jethmalani. Two sides are engaged in mud-slinging while Mr Vajpayee is watching somewhat helplessly. There are other charges against others as well. The names of politicians in the diary of the "Jain Brothers" for taking money raised a storm just some time ago in India, although it's verity could not be fully established.

No doubt, there are politicians who really maintain high degree of probity in public life by their laudable standard like many of the leftist politicians. But this cannot obscure the fact that corruption-ridden politics these days takes away much of the public admiration of the political system in the world's largest democracy.

Io the Editor...

Burden on the government ...?

Sir, We have gone through the news report by Mr Inam Ahmed under the caption "Subsidy to Fabric Manufacturers Burden on Government" quoting the Finance Ministry sources. The very term used in the report "Burden on government" is a negative view and discouraging for using local fabrics by the garment industries. On the contrary reported steep rise of incentive amount for using local fabrics by our garment industries in place of imported fabrics is a good sign for our country.

What are we concern about, is sometimes some good prospective sectors become victims of misreporting and absence of statistics of both good and bad sides of those sectors.

· The growth of terry towel industries has actually started after declaring cash incentives by the government 4 years back,

because terry towel industries raw material, the lower count cotton yarn, is locally available due to establishment of a number of spinning mills in recent years. It can grow without importing any raw material from abroad. Its secondary raw materials i.e. dyes/chemicals are indirectly imported, but constitute very small fraction - only 3/4 per cent of the total cost.

Pakistan and India are the two main competitors. The yarn price in both these countries is 30 per cent lower than our local market because both these countries are produce and export cotton. If the government incentive is reduced, then all the terry towel industries in the country outside EPZ will face closure because nobody will buy from us with 30 per cent higher prices. In fact, these industries are surviving on

small saving out of this benefit. There is a tremendous scope of growth of this sector. Now

Korea, Japan and other Asian sumers to terry towels from Bangladesh. We need only to develop quality and competition in prices with Pakistan and India. Whatever we may call it, cash incentive or subsidy, the government will have to keep the towel price at par with our competitors to get markets. It has a vast scope for earning foreign exchange for the country without spending any hard earned foreign exchange from our exchequer.

Shafiqul Islam Chairman, Bangladesh Terry Towel & Linen Manufacturers & Exporters Association, Dhaka-1206

Open-air toilet

Sir. It is a great regret to use such caption, but I had no other alternative. I want to tell about the 'footpaths' near Karzon Hall

area. If you pass by from the are based on local materials. Its neighbours have become con- Shikkhya Bhaban to Doel Chattar, and from Doel Chattar to the gate of university playground, you will find only human excreta on your way. Every side of the road, you see only human waste, meaning the area as an open air toilet. Moreover, anti-social activities are a common phenomenon in the adjacent area.

> As a student of DU, I feel ashamed for what is happening where we have come to learn. Many letters have been published so far drawing attention of the authorities, but everyone seems in vain. Because, the situation remains same since my first day at DU.

The City Building is not far from here. Would any official pay a visit kindly?

S.M.Enayetur Raheem Applied Statistics ISRT, DU

Campus madness Sir. My only contact with

university politics and unrest has been limited to newspaper reports and articles. All that changed on April 22nd. At around 5pm, I, along with a colleague, a cousin and a driver, when to the DU English Dept. on an errand. On entering the compound, the sight of a student "protest rally", headed in our direction, greeted us. The car had barely been parked when someone asked us to move it out of the way. Simultaneously, from the other end, a "rival group" approached chanting their slogans. The driver had gone into the building by then. so my cousin took the wheel.

At this point, all hell broke loose. Cocktails, gunshots and bricks started flying all over the place as a pitched battle between both groups ensued. Our windows were smashed indiscriminately by students who just "had" to break the first

thing in their sights. As the car reversed out, I looked out of the front windshield and saw three flashes from a gun muzzle about 100 yards away — pointed in our direction! My nerves are still in shreds. I believe that I am physically intact only because of some superb driving out of that area.

Witnessing firsthand the legacy of post-independence "student politics", I can only surmise it in one word - frightening. If this is what we have been breeding, if these are our future leaders, our future is truly bleak. As we were leaving the campus, a DU bus caught my eye. On the side was written the slogan: "Education is Enlightenment". How comically ironic!

Sadat Omar Dhaka