

# The Daily Star

Founder-Editor: Late S. M. Ali  
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## Thoughts on Pahela Baishakh

THE celebration of the Bangla New Year is becoming increasingly popular with every passing year. And we have to thank a dedicated group of early enthusiasts centred around the Art College plus a group of culturally minded businessmen who have made all this possible. Over the years this celebration has gathered momentum and become a national event. Now the task before us is to popularise it further both within the major metropolitan areas and throughout the country. We would like to suggest that there should be many centres of Pahela Baishakh celebrations in the city rather than everything being done in and around the Art College and Ramna Park area. For example we could have separate celebrations in the Bahadur Shah Park or Armanitola Ground for old Dhaka, and in the Mirpur Stadium or in its vicinity for the inhabitants of North Dhaka. Such a scheme would involve more people in different areas and would reduce the pressure and the crowd, which mars the celebrations to an extent, in the present area. Such a decentralisation of the event would enable many more local musical groups to perform publicly before a live audience and the local people would become more familiar with their neighbourhood talents. With Dhaka becoming such a huge metropolis the practice of a central celebration will have to be abandoned today or tomorrow. We suggest that this be planned rather than forced.

On this day we must also think of what is happening to our culture, and what we must do to promote it. Our music today stands threatened by an influx of Hindi cultural products both through the import of cheap CDs and audio cassettes not to mention the numerous satellite TV channels that come to millions of viewers through the cable operators. We must regrettably observe that Hindi music, even Punjabi songs, have become a regular feature of elite weddings and musical soirees. Bangla music is hardly patronised by them. Many of our artists are forced to sing Hindi and Urdu songs in parties and functions because that is what the audience wants. In most city restaurants either we see cable TV switched on to the Hindi video channels or Hindi or Punjabi audio cassettes blaring the latest music hit from Mumbai. How can we promote Bangla music and other cultural items in the face of this onslaught? Not by banning them. What we have to do is to aggressively promote our culture, especially music, poetry, songs, drama and dance through the entire modern media now available. We must modernise our music and constantly innovate to make them acceptable to our people. There will be the classical variety, and the ever-lasting Tagore, Nazrul, Lalan songs. But our modern songs must change with the times. Look what India is doing with its folk songs. Some of their folk tunes have become international hits. The way Punjabi music, especially its folk variety, has come out of the throbbing grip of Hindi is an example from which we can learn a lot. The bottom line is that we must patronise our culture and do so vigorously and creatively. This we are not doing at the moment.

In fact we are guilty of neglecting our cultural products to the extent of almost killing them. Let us create a public awareness campaign of our rich cultural heritage and commit ourselves to patronising our music, drama, songs, poetry, etc. Let this be our resolve on this Pahela Baishakh.

THE Bangladesh Aid Group is holding its annual meeting in Paris on 13-14 April. The meeting was designed to bring together the government of Bangladesh (GOB) with its Development Partners (DPs) to discuss the aid programme for Bangladesh. The April meeting in Paris has been a traditional event from Pakistan days. This tradition owes less to the fact that April, is the month of spring in Paris, reportedly the most pleasant month of the year which inspired the famous lyric, April in Paris, made famous, I think by the French chanteuse Maurice Chevalier. The more practical reason for the choice of April for the meeting derived from the aid-dependent character of the economies of both Pakistan and Bangladesh. The respective governments needed to be assured by their donors of aid pledges, for underwriting the development programme in the forthcoming fiscal year beginning in July, preparatory to the formulation of the annual budget and its presentation to parliament in June.

The choice of Paris as the venue of the Aid Group meeting had been interrupted by the post-liberation government of Bangladesh Sheikh Mujibur Rahman, when the first meeting of the Aid Group in independent Bangladesh was hosted by the GOB at the Sheraton Hotel in Dhaka in March 1973. The agenda for this meeting and documentation was prepared by the Bangladesh Planning Commission. This promising precedent was discontinued from the next year and not revived till the return of the Awami League to office in June 1996. The new government hosted its first Aid Group meeting in Dhaka in October 1996, on an occasion which carried its own historical symbolism of self-assertion. However, what was then visualised as a new precedent for Bangladesh's relations with its aid donors, was discontinued with the return of the Aid Group to Paris in subsequent years and the resumption of ownership by the World Bank over these meetings. However, several mid-term review meetings of the Aid Group were held in Dhaka in November 1990 and last year but these were really subsidiary to the primary meet in April.

It has been argued by some of us for many years, indeed even the Pakistan people, that the national government should both host and manage the Aid Group. In our case the GOB should set the agenda, prepare its presentation of its proposed development strategies and invite the donors to comment on this strategy. Ideally, the outcomes of the GOB's economic stewardship should be exposed to independent evaluation. Such an evaluation should originate neither from the GOB, which would seek to justify its

Let us thus hope that the present Paris Aid Group meeting will be the last of its kind and will in some ways, mark a watershed in Bangladesh's relations with the DPs, whereby we can bid our farewell to Paris in the springtime. Let the next Aid Group meeting be convened in Dhaka by the regime newly elected to office in 2001. Let this meeting be convened in September or October every year after the budget has been approved by the *Sangsad* and the policy agenda of the GOB has been fully debated in parliament.

own achievements or from the World Bank who would evaluate the GOB against the Bank's own policy agenda, but through an independent exercise originating from civil society in Bangladesh. Whilst such an independent review of development has now been forthcoming every year from the Centre for Policy Dialogue (CPD), such a document remains an informal document without recognition by the GOB or the Aid Group. It is suggested here that whether or not the CPD's independent review is accepted as a possible document for assessing the state of the economy, there is a need for an independent review of a high professional standard, which should every year dispassionately evaluate the state of the economy. This evaluation should be the standard reference for the Aid Group meeting but should be presented to parliament, prior to the presentation of the budget.

The concept of the Aid Group meeting as an aid pledging session by the DPs was always something of a public relations illusion. In practice most DPs pledge their aid to the GOB in a series of bilateral meetings over the course of the year. As a result, the Paris meeting in its present form was reduced to a rather formal exercise, serving largely a ceremonial purpose.

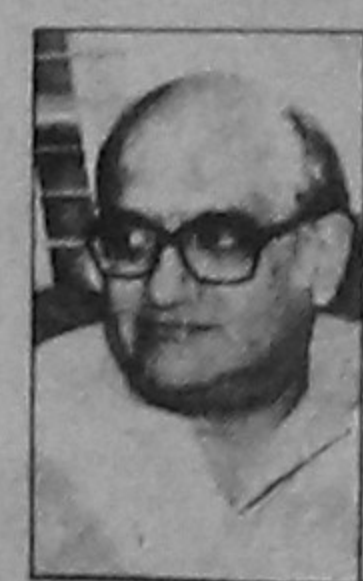
Let the Finance Minister of the GOB invite the shadow Finance Minister of the Opposition in the *Sangsad* to be the co-host of the Aid Group meeting in Dhaka, so that the DPs can have access to the views of both sides of the political spectrum on issues of development policy. Let civil society also make their contribution to such a meeting so that the DPs can directly register the concerns of a broader constituency of people from outside the political establishment.

where much time is spent on reading out pre-prepared statements by the participants from both sides. In practice it provides an opportunity for Bangladesh's DP to sermonise the GOB on their various acts of commission and omission in relation to the management of the economy. Over the last 15 years the Paris meet has largely been used to evaluate the performance of the GOB in implementing the reform agenda designed for them by the WB. The *Country Economic Memorandum* prepared for the Paris meet by the WB traditionally served as a report card on the GOB's performance. Such an approach to the Aid Group meeting has not been very productive and tends to project the meeting largely as a media event.

In order to derive fuller benefit from such a gathering which brings the GOB together with such a large number of top functionaries from all its DPs, it is suggested, not for the first time, that the format of the Aid Group meeting be changed. It is proposed that the GOB should take charge of managing the Aid Group meeting and organise it as a purposeful dialogue where the GOB explains its policies and actions to the DPs. To this end the GOB should design the agenda of the meeting where it identifies specific areas for discussion, based on the GOB's proclaimed policy positions. The DPs may be invited to comment on the GOB's presentation and discussion can then be joined by the GOB presentation and the DPs comments. To the extent that the

## Farewell to Paris

by Rehman Sobhan



In the prevailing circumstances of declining dependence on aid both on the Balance of Payments and Budgetary account, the larger than life image enjoyed by the DPs in Bangladesh remains harder to explain. Today our DPs press their policy advice even more vigorously and over a much wider sphere than they did in the 1980s. But in the 1980s Bangladesh could not breathe without recourse to aid which even financed some of our revenue needs and all of our development budget. The visit to Paris was thus seen as a form of secular Haj by the Finance Minister of Bangladesh where the level of aid committed by the Aid Groups brought smiles to the face of the GOB if not the poor of Bangladesh.

It would appear that today, in spite of the transformation in the objective conditions governing our relations with the DPs, the psychology of dependence on the DPs has not changed. The GOB obviously still feels compelled to remain oversensitive to the views of the DPs. However, the public, including the media, remain no less captive of the past so that they also continue to measure the achievements of the Finance Minister by what he brings back from Paris. At the same time our press continues to give disproportionate space

to the views and publication of our DPs whose utterances, however pedestrian in content, acquire the property of a holy writ. Today, it is suggested that the time is opportune for a bit of intellectual structural adjustment, within the GOB, within our political establishment, within civil society and within the media. All of us need to wake up to the fact that our economic future no longer depends on the DPs nor does the political fate of the present or future regime to the extent that it did in the 1980s.

During the 1980s so great was our dependence on aid that our DPs could have ended the life of the autocratic and unrepresentative Ershad regime with a single decision to withhold any aid commitment unless it agreed to hold free and fair elections. Thus, the 8-year exposure of the people of Bangladesh to this odious regime must be seen as one of the no doubt, unscheduled contributions of our DPs to the politics of Bangladesh. Our DPs should keep this particular phase in Bangladesh's political history in mind when they address the issue of democracy and human rights in Bangladesh today.

Today the DPs enjoy no such leverage over the GOB which enables them to impose their policy advice. In fact, even in the 1980s, their ability to influence the GOB in areas where such advice really mattered was more apparent than real. Today the changed political economy of Bangladesh's external relations allows for far more leverage to our principal trading partners than to the DPs in exercising influence on Bangladesh. The attempt to treat the recent visit of President Clinton to Bangladesh as a manifestation of the second coming, may have appeared distasteful to some people but it reflected a fact of life that a doubling of Bangladesh's RMG export quota in the US market could add another \$2 billion to our export earnings and employ another half million poor rural women. I can think of no ongoing aid programme which could exercise such a far-reaching impact on the economy.

It is not certain what it will take for the GOB to come to terms with the transformed nature of our relationship with the DPs. It would be particularly unfortunate if they took advantage of this latitude from aid dependence as a licence to perpetuate misgovernance without seeking to design an autonomous policy agenda for better governance and more sustainable development. Regrettably, successive regimes ranging from the Ershad regime to the elected government of both the BNP and the Awami League have remained captives of the policy regime designed for the Bangladesh economy by the WB/IMF in the 1980s. This policy regime has not really delivered the goods even though it has many valuable features which merit more committed implementation. Thus, the time has come for Bangladesh, hopefully led by its elected government, to design its own economic agenda, through an extension of domestic consultation, to a political consensus. Such a process will secure the commitment needed to implement reforms and will make the GOB more accountable to the people who have been involved in the process of shaping of these reforms. If the GOB cannot meet this challenge it must be willing to pay a political price for its failure but the DPs cannot expect to bring good governance, growth or poverty eradication to Bangladesh through their aid policy advice leveraged by the rather modest sums of aid they now offer.

Let us thus hope that the present Paris Aid Group meeting will be the last of its kind and will in some ways, mark a watershed in Bangladesh's relations with the DPs, whereby we can bid our farewell to Paris in the springtime. Let the next Aid Group meeting be convened in Dhaka by the regime newly elected to office in 2001. Let this meeting be convened in September or October every year after the budget has been approved by the *Sangsad* and the policy agenda of the GOB has been fully debated in parliament. Let the Finance Minister of the GOB invite the shadow Finance Minister of the Opposition in the *Sangsad* to be the co-host of the Aid Group meeting in Dhaka, so that the DPs can have access to the views of both sides of the political spectrum on issues of development policy. Let civil society also make their contribution to such a meeting so that the DPs can directly register the concerns of a broader constituency of people from outside the political establishment. Such a reconstructed Aid Group meeting will be more consistent with the realities of Bangladesh's relation with our DPs, our changing approach to the aid relationship and with the spirit and implications of a democratic order in Bangladesh. Such a meeting may set the stage for a rather less contentious, more balanced and hence, more sustainable, relationship between Bangladesh and its DPs than we have witnessed over the last three decades.

Restoring a sense of perspective to Bangladesh's relations with its DPs should not suggest that we can do without aid today or that we can write them out of our calculations. There is little doubt that we will for some more time need aid to underwrite our development programmes. But the share of aid is already down to 40% and could be down to 25% in another 2/3 years. Indeed if the GOB could be a bit more effective in enhancing its foreign collections whilst aid commitments over the next few years continue to stagnate, the dependence of the ADP on aid could decline even further. The DPs are, themselves, persuading the GOB to reduce their dependence on aid to finance infrastructure projects such as power, telecommunications, energy exploration even major highways, and turn to private foreign investment (PFI) who are, thus, expected to emerge as important players in our economic life in the years ahead.

term interest rates in Germany and other European countries with currencies that shadowed the Deutsche Mark in the foreign exchange markets. The Japanese market was driven up early in the year by the dual stimulus to the economy of the decline in the value of the yen against the US dollar and the cumulative effect of the fiscal packages introduced the year before. Foreign investors' enthusiasm for Japanese equities also propelled the Japanese market. The Japanese market came under pressure in early autumn and could not hold on to its earlier gains.

Often a silent but remote buck is passed to the US Federal Reserve. In early December 1996, when Alan Greenspan criticized the bull run in the US market as "irrational exuberance", some markets went through a sharp correction. The markets interpreted Greenspan's comments as a veiled signal that the Fed would have to raise interest rates to cool off potentially inflationary pressures. But when Greenspan left the US interest rates unchanged, share prices recovered and then reached record levels in many countries. But this does not explain what happened in our market, which had already topped out by mid-November.

If Greenspan knew the problem in 1996, he didn't know the solution. But this time he knows both. He has attacked the net worth to put a curb on the spending by pushing high the benchmark target rate for federal funds and raising the symbolic discount rate. Banks have increased their prime rate, thereby increasing costs for credit cards and mortgages, the two pillars of disposable income in the US economy.

But the situation we faced in 1996 was opposite of Greenspan's hypothesis. There was no technological innovation and improved efficiency, which could have driven the Price Index high. It was clearly a case of market manipulation, when efficient market intermediaries had orchestrated exploitation of an inefficient market. Somehow the manipulators were able to create a perception, which drove people into speculative binge and sustained that perception until they had made a reasonable killing.

Has the scenario changed for us in the year 2000? The interest rates on deposit accounts are still low and the companies are still in a liquidity crunch as the government has tightened the belt on bank loans. The Stock Exchange of the country have been automated, while the Securities and Exchange Commission has been restructured. It

has been more than three years since the market dipped as investors looking for better prospects went to the African and the US markets. Now that Greenspan is trying to put a brake on the US market, it is likely to send some investors out of USA looking for better investment opportunities. A sizable amount of US investment is expected to arrive in this country in the power, gas and energy sectors.

Which means, an upturn in the stock market might be in the offing. A visitor, who recently came to town to discuss the setting up of the Central Depository System with the government, suggested two things to me. One is to quickly set up the Central Depository System, which requires an authorized capital of 500 million taka and paid-up capital of 300 million taka. Another is a shock treatment, which can be provided either internally or externally. The Central Depository System is likely to help restore confidence of foreign investors as Bangladesh still remains one of the two physical markets in the region. And the shock treatment of pumping USD10 million into the market will put the spurs into the market. According to this visitor that kind of money is pocket change for international fund managers.

A character in Samuel Johnson's *Boswell Life* humoured that the sceptics had gone to milk the bull, because truth was a cow, which yielded them no more milk. The truth is that the bull had a managed run in 1996 and it is useless to cry over that spilt milk now. Let the bull run again and see who goes to milk it. That is the other side of the oxymoron. An inefficient market needs practice in order to become efficient.

When the bull run again? Icarus-like flight? One can ascribe as many reasons to it as one wants. Ever since Samuel Heinrich Schwabe discovered the solar cycle in 1843, attempts have been made to connect it to the rise and fall of the stock market. Did our stock market rise and fall with the lunar or solar cycle? The answer is probably no. The main reason why the market went haywire was that it was the only way companies, which were already strapped for funds and deep in debt could gather additional funds. Besides, the low interest rates made deposit accounts unattractive and encouraged high levels of money to flow into the stock market. To a large extent, a cloud of brokers and fund managers of foreign investors exploited that precarious economic condition and made windfall gains.

Why did other markets of the world go bonkers in 1996? The main stimulus for the US market comprised pretty much of the same reasons. Besides, productivity improvements leading to robust earnings growth, stock repurchase by corporations and considerable merger and acquisition activity were the other main factors behind the exceptional performance of Wall Street. In Europe the rises seen during the first half of the year mirrored declining short-

term interest rates in Germany and other European countries with currencies that shadowed the Deutsche Mark in the foreign exchange markets. The Japanese market was driven up early in the year by the dual stimulus to the economy of the decline in the value of the yen against the US dollar and the cumulative effect of the fiscal packages introduced the year before. Foreign investors' enthusiasm for Japanese equities also propelled the Japanese market. The Japanese market came under pressure in early autumn and could not hold on to its earlier gains.

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## Friday Mailbox

### "I left a very disciplined army"

Sir, This is in reference to the article published on 2nd April 2000, in your esteemed daily titled, "I left a very disciplined army," says Shafiuallah."

I personally have no doubt that the post-liberation period was a difficult time for the armed forces. The Army Chief's responsibilities must have been paramount and a lot of credit should go to Major General Shafiuallah for shaping the military from a rag tag band of soldiers, students and peasants into an effective fighting force. I do however question the Daily Star's story stating that—whatever happened on August 15, 1975 was "just an incident."

It is my understanding that what General Shafiuallah meant was that during his position as Army Chief, incidents outside the chain of command were minimal. Referring to Sheikh Mujib's assassination as "just an incident" simply highlighted one occasion of illegal activity within the military.

The repercussions of this statement as it was reported by the Daily Star could be enormous as it could be misconstrued by your readership that the former Army Chief was belittling an assassination of a democratically elected leader.

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### Monitoring good governance

Sir, The report (DS April 6) on the donor attitude towards the governance in Dhaka makes dismal reading for any citizen of Bangladesh: especially on the eve of the meeting of the BDF in Paris later this month, anticipating two billion dollars in the offer.

This is not criticism by the local opposition, which could be dismissed and treated with possible indifference. This type of previous reports with heavy negative slant continues unabated, regardless of the regime in power. Hardly any positive change has been noticed by the foreign observers. It means we have to take the home-work seriously for introducing visible reforms in several sectors in accelerated phases, as already enough precious time has been lost. Mere gift of the gab cannot bring in tens of millions of dollars; noting the increasing donor fatigue.

The nation is still passing through the foundation-laying stage in most of the sectors, starting with the rooting of democracy. Of course we will get the treatment we deserve.

A Husnain  
Dhaka

### Half-hearted approach

Sir, The other day while I was going through The Daily Star, my attention was caught by a small news item "Tobacco company to stop media ad in Sri Lanka." The news item reveals that the Sri Lankan government has taken initiatives to stop advertising in newspapers, magazines and television anything related to the promotion of sales of cigarette and other tobacco products. However in Bangladesh, the most attractive advertisements in huge billboard at the important cross section of the highways are for the promotion of sales of cigarettes of different companies. The sleek eye catching adver-

tisements in glossy papers have also made their inroads in almost all the magazines and journals of the country. In our electronic media, the advertisement for the sale of cigarette is very frequent. The statutory warning that should follow such type of advertisement is telecast in such a crafty manner that one could hardly read it on the TV screen.

Recently, an anti-tobacco forum has revealed a stunning statistics showing that one person dies in every eight seconds in the world and seventy-five thousand people die in Bangladesh in one year due to diseases related to tobacco. If that becomes the case then what makes us feel so complacent to deal with such a serious problem with such a half-hearted approach?

Intiaz Ahmed Elis  
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### Whose duty was it?

Sir, BNP legislator from Narshingdi-1 constituency, Shamshuddin Ahmed Eshaq has lost his parliamentary seat. This has been revealed after almost seven months of his absence for ninety consecutive working days from the parliament, which causes the vacancy of the seat as per constitution. This is the first instance of cancellation of any opposition MP's seat due to absence from the parliament. However, we believe there are many MPs who are in the queue to fulfill their 90 days of absence at stretch. It is a shame on our politics that boldly reflects how careless our leaders are regarding their duties and responsibilities. But the main query is something different. The by-election should have to be held within ninety days of vacancy of the seat as per constitution. But it was not so as the vacancy of the seat was found after seven months! Now, may I ask the speaker whose duty it was to timely monitor such matters and who will be responsible for violating the constitution?

A young citizen  
Dhaka

### Starless in Dhaka

Sir, It has been quite sometime that the viewers across the country are being deprived of watching channels like Star World, Star Plus, Star Movies and others because of a dispute between the cable operators and the distributors. I am sure that both sides have valid arguments to back up themselves, but it is we, the consumers who are being deprived of some of the favourite channels and being forced to spend "Starless" nights because of their dispute. Without taking any side, I just want to say that we are not the captive audience of the '80s who had no choice but to watch whatever BTV had shown. Those days are long gone. Now-a-days, all you need is a remote control and you are all set to surf more than forty channels.

Another, sad fact of this dispute is that at the end of the month the cable bill remains the same despite being deprived of so many channels. Maybe, we, the consumers should get united and refuse to pay the cable bills until both sides settle the differences and free us from being the hostage to the cable operators and the distributors.

Parvez Murshed  
Mirpur, Dhaka

Views expressed in this column are the writers' own. The Editor may or may not subscribe to those views. The Editor reserves the right to decide which letters should be published.