

Let's See Them in Jail

NEVER mind the delay, the Prime Minister ought to get a credit for realising that the sharp deterioration in law and order and the criminal activities of her party MPs' sons and relatives have a correlation. The PM has not stopped short at this, she has even warned the party influentials of 'dire consequences' should they fail to rein in their "near and dear ones". It was too obvious that they were bringing bad name to her party in an election year so that she could not overlook the 'liability factor' anyway.

Much that she sounds serious with her words, could she be the same with her deeds? This question figures in the backdrop of her previous roars dissipating into whimpers. We have heard her say many times over that terrorists will be dealt with as terrorists and not as any favourites of a political party. She has never tired of counselling the police to act without fear or favour, but what we see on the ground is something opposite. Many cases are not entertained at the police stations for their supposed 'sensitivity' and arrests of persons claiming links to the ruling party or its wings have been hard to come by.

The feudings in AL party units and front organisations which often erupt into violent encounters with spillover effects on social peace could not be stopped by the PM. Then some of the MPs who created havoc with local law and order situations, like in Dhaka and Feni for example, have not been put in the dock, far less proceeded against. We wrote volumes about a certain bank capture by a party stalwart only to see him removed from party position, but no legal action was processed against him for his criminal offences. He did not have to even account for his banking transactions. One leading MP's son for a time held two apartments of a city building in his illegal possession throwing his weight around and intimidating even policemen with impunity. Despite accusations of murder against another MP's son he roams freely around.

The Prime Minister is asking her MPs to control their offsprings but could she rein in her own party stalwarts and MPs who have been playing football with the rule of law? None has been touched so far. Her maximum action against them was only to strip them of party positions.

So, the Prime Minister has to take some legal action against her party culprits to inspire public confidence in her words. Otherwise these will be rhetoric as usual.

Child Abuse by State?

UNDER different circumstances, round-the-clock sentinel for one severely wounded prisoner - his legs cuffed - at the Dhaka Medical College Hospital could have well been a proud testimony to police efficiency and sincerity. The fact that the imprisoned is a minor boy, somewhere between six and seven years of age, and that there is no definitive charge against him makes the law enforcement agency guilty of highhandedness and child repression. With so many cases of murders, rapes, abduction and other heinous crimes going unresolved and the accused at large, the police's preoccupation with Jewel, the hapless kid from the old city's Dayaganj area, is simply outrageous. It not only highlights the law enforcers' distorted sense of priority but also reflects their total apathy to the very notion of human rights.

Worse still, Jewel's is not a unique case. On many occasions, we have read and heard of the police rounding up street urchins on the eve of opposition programmes or in times of street violence and keeping them detained for days, weeks and sometimes months together. Detention without definitive charges has become a salient feature of police activism, the detainees ranging from minor kids to old people. Not long back, the higher judiciary had to intervene for the release of a man in police custody for several years on no specific charges who had gone mentally deranged in captivity.

Despite sustained pressure from the media and other members of the civil society, the police's human rights sensibility remains as poor as before. The report on Jewel, front-paged by a Bengali daily, adds insensitivity to child rights to their growing list of dubious distinctions in the domain.

We demand an immediate end to Jewel's predicament. Even if guilty of the charge the police seem to have against him, namely pickpocket, he cannot be held in custody and that too in chains for so long. At the same time, we solicit intervention of the judiciary in this matter. It should decide whether the boy is guilty as charged and if so issue directive for the boy to be sent to correction centre. More importantly, the degree of culpability of those who held the boy in detention should be determined. Whoever he, she or they may be, their act amounts to child repression in particular and human rights violation in general. By no means, should they be allowed to get away.

Utility Rates up, Again

THE government decision to raise power tariff by five paise per unit and water and sewer rates by five per cent just before the presentation of the budget for the next fiscal is reflective of an almost annual ritual. Done through issuance of circulars the move is devoid of any explanatory note about the reasons why the rates had to be raised. So, the answerability to the public is missing here. This gives the government the logic to call the budget as one 'for the poor' containing no fresh levies. Government also knows people can see through their game but could not care less. Much has been said and written about systems loss caused by inefficiency, corruption, mismanagement, etc. The suggested improvements in these areas have fallen flat on the bosses and the ordinary mortals of organisations concerned. Neither has corruption decreased nor services improved. The situation has come to such a pass that it has become wholly unmanageable and unwieldy.

But the consumers, or shall we say sufferers, have been assured of a reduction in the systems loss from 41 per cent to 32 per cent by 2002 by the WASA chairman. What about the PDB's time frame about cutting back on systems loss? Be that as it may, with every increase in the utility rates the responsibilities of PDB and WASA increase to provide better services to consumers.

Budget: Its Rhetoric and Economic Expansion Path

by Anu Muhammad

The local and global policymakers always emphasize GDP growth for locating development path. Bangladesh, according to that criterion, is in fairly good condition. More than 5 per cent GDP growth is not low in present global context. But the question is what economic activities are behind this growth? What sort of economy is it expanding?

In our economy equals to approximately one-third of that GDP. But these people are not used to pay but to accumulate. Maintaining the role as the sincere-most protector of these criminal-accumulators cannot solve the problem of low tax-GDP ratio. So, the last resort is to squeeze people in different forms, in and outside budget.

What is the trend of resource flow?

And what happened with that resources mobilized mostly from hard working people? Where does it go? What is the priority?

From the tables given below we get a linear picture. In 1997-98 revised budget, we find decrease in both revenue and development budget. But while de-

velopment budget shrank by 6 billion taka, revenue budget was reduced by only 440 million. In the next year things got worse. The increase in revenue budget nearly equals to the amount of the development budget losses. The priority of expenditure and pattern of resource transfer is very much clear. Resources are virtually stolen from announced development budget for mere maintaining the government's expenditure.

But revenue budget doesn't represent a homogeneous nature of expenditure. From table-2 we find that while in 1998-99 revised revenue budget expenditure increased by more than 8 billion taka, it did not spread evenly amongst sectors. In fact, highest growth in expenditure

took place in debt service, about 15 per cent, and in education it was less than 1 per cent. The government's activities in the current year already made it clear that the same thing will appear in the present revised budget.

Allocation and poverty alleviation

This is expected that the finance minister would take a significant portion of his budget speech to elaborate and prove government's actions in poverty alleviation. He would also describe the billion numbers in favour of his argument. Last year he showed that almost half of the budget allocation directly or indirectly was directed towards poverty alleviation. If we look at the figures of allocation

for poverty alleviation in different years, then we have to admit that all the governments in this country have given more and more attention to the issue, all the governments have increasingly focused on the poverty alleviation programmes (PAP). In 1983 even ADP allocation on the PAP was less than 10 billion taka, but it increased to 53 billion taka in 1999-2000. If we follow the finance minister's speech and include microcredit and other expenditure then it comes to more than 110 billion taka, only for poverty alleviation!

But what happens to the poverty, the most lucrative and the most sustained resource for our ruling elite and 'civil society'? The number of people liv-

ing under poverty line was 58.3 million in 1983 and it has come to 57.9 million after 17 years and after spending more and more billions for the poor! I am not going to dwell here on the definitional problem of poverty or poor etc. If I do, things would appear as worse.

The local and global policy makers always emphasize GDP growth for locating development path. Bangladesh, according to that criterion, is in fairly good condition. More than 5 per cent GDP growth is not low in present global context. But the question is what economic activities are behind this growth? What sort of economy is it expanding? The mafia, 'black' economy, arms trade, drugs, crime, resource drainage, violence, sex trade all has increased so the GDP. And significant enough the table 4 which shows that the fairly good growth rate of GDP does not go with poverty alleviation, sometimes it even expands poverty base. For example, it is possible to increase GDP by construction of high-rise building after evicting thousands of *slum dwellers* from their shelter and livelihood that throw them from the margin of poverty line to deep inside below the line.

We are going to hear roar on Budget in a few days time but conventional debates on numbers and reserving polemics at superficial level will go little inside the process that keeps the same rhetorical and fraudulent configuration intact despite many changes in faces.

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| Year | Development Budget | Revenue Budget |
|---------|--------------------|----------------|
| 1997-98 | - 6000 | - 440 |
| 1998-99 | - 8500 | + 8240 |

| Sector | Original, 98-99 | Revised, 98-99 | Rate of Change (%) | Original, 99-00 |
|--------------|-----------------|----------------|--------------------|-----------------|
| Education | 29420 | 29680 | 0.88 | 32200 |
| Health | 8440 | 8870 | 5.09 | 9900 |
| Debt Service | 25640 | 29460 | 14.89 | 28050 |
| Defence | 28340 | 29400 | 3.74 | 30670 |

| Year | Allocation in Development Budget for Poverty alleviation (million taka) | Persons living under poverty line (million) |
|----------------------------|---|---|
| 1983-84 | 9266 | 58.3 |
| 1994-95 | 49702 | 55.2 (95-96) |
| 1999-00 | 53134.2 | 57.9 |
| Rate of Change in 17 years | 573.43% | 0.68% |

| Area | 1996 | 1997 | 1998 |
|--|------|------|------|
| Growth rate of GDP | 5.9 | 5.7 | 5.2 |
| Rate of Poverty alleviation in Urban areas | -1.1 | 1.0 | -0.9 |
| Rate of Poverty alleviation in rural areas | -1.1 | 1.1 | -0.8 |

Tightening Debt Trap from Deficit Financing

by M Shamsul Haque

Organisations and governments feel pressurised when they are accountable and responsible to their electorates. The sliding down that pervades almost all aspects of our society is likely to accelerate by the budgeting process. So we should be ready for another round of increased expenses and budget deficits to be financed from the banking system.

larger expenditure targets. Many people, including this writer, cautioned that actual revenue targets would remain unrealised whereas the temptation to spend more would persist and result into higher deficit financing by the government. That has happened despite warnings from various quarters on the resulting 'debt trap' and risk of inflation due to borrowing from the banking system.

Wahiduddin Mahmud, an advisor to the finance ministry of this government published an article in The Daily Star (May 18, 2000) on the budget FY2000-2001. He reviewed the scenario for FY2000-2001 and among other things noted the imperatives of higher bank borrowing in the last FY for this government and considered the actual figure of borrowing "a difficult balancing act" for the finance ministry. He also noted why rate of inflation did not rise during FY1999-2000 - due to good harvest and sluggish private sector investment for factors outside the control of the finance ministry. He tried to draw some parallel between expansionary credit policy of the BNP regime during the later years in power after much higher revenue mobilisation in the earlier years. BNP regime raised internal financing of ADP to over 55 per cent from the lowest level, under 10 per cent, during the JP regime. There is, of course, a qualitative difference between credit to the public sector and credit to the private sector. The former leads to the debt trap while the latter is intended for creating sources of higher revenue in the future. Much of the growth in agriculture, poultry and dairy in particular, could be traced to credit given to the private sector during the BNP regime.

Let us put a straight question on the matter to the finance ministry. If by the end of FY1999-2000 borrowing from the banking system goes up to Tk 5000 crore what are the likely consequences? How the government hopes to repay it in FY2000-2001? Revenue collection is likely to be sluggish during FY2000-2001 also as the government will be busy trying to win voters in the next general election. Did the government

spend Tk 5000 borrowed from banks this year for some purpose, such as new employment generation for the vulnerable group so that there will be lower demand for money to feed them? Or for some such other groups in the society e.g. golden handshake payments to public sector employees for which budget allocation in FY 2000-2001 would be reduced proportionately? Or the money was used to create productive assets that will generate net revenues to reduce demand for more money for that purpose? In fact nothing like that happened in FY1999-2000 to reduce demand for money in FY2000-2001. The borrowed money was needed to pay for regular salary and allowance of public sector employees and some large construction projects, such as the NAM convention centre at Dhaka. Mr Saifur Rahman recently pointed out that this Tk 600 crore project is being financed just to transfer money to some selected quarters and further spending of public money on this project should be stopped. It may be true that without the increased borrowing from the banking sector the

the same political platform in the top of the apex body, FBCCI, no effective step was taken for that purpose. Interest rates could have been lower by 4-5 per cent points.

The debt trap is already around our neck and further bank borrowing will simply result in tightening of the trap and become deadly for all of us. This reminds us of the last statement made by Mr Aquino, the opposition leader in the Philippines before he died after being hit by an assassin's bullet while disembarking from a plane after long years of self exile at USA. He pitted the next government after the fall of autocrat Marcos for the terrible mess that was created during Marcos' long autocratic rule. Paradoxically it was Mrs. Corason Aquino, wife of the slain leader who became President and she had to clear the mess. While the leader of the opposition, the former prime minister and the former finance minister of Bangladesh have been repeatedly saying that the 'economy is being ruined by this government' who is going to state them from further damage. The opposition is not going to attend the budget session again this time. Why should the so-called 'balancing act' be so difficult for the finance ministry as indicated by Wahiduddin Mahmud. Organisations and governments feel pressurised when they are accountable and responsible to their electorates. The sliding down that pervades almost all aspects of our society (and

started from the first year of the AL government) is likely to accelerate during its last year in power by the budgeting process. So we should be ready for another round of increased expenses and budget deficits to be financed from the banking system. This is what has been known to the private sector for quite some time and that is why they withdrew from the capital markets and abstained from new investment.

The strategy to stop further borrowing from the banking system will be to reduce public expenditure both revenue and capital in the budget for FY2000-2001. There is ample scope for doing that for a truly patriotic government willing to serve the long-term goal of raising living standard of the people. Who is going to push the government in that direction? We hear of an active civil society making efforts to change things for the benefits of the masses, will they take up the issue of deficit financing seriously this time so that the government cannot proceed with its design to further damage the economy? Economists in Bangladesh do have a strong role to play in focusing on the issue. If they cannot change the course of action of the government they should at least stop being known as advisors to the government in various capacities. A small section of the civil society stopped this government in destroying some green trees and space near Osmani Udayan in the heart of the city. Can we not stop much bigger damage to the economy from the bulging deficit financing and save it from collapsing due to the pressure of the tightening 'debt trap'?

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To the Editor ...

A charade over the appointment of CEC

Sir, The manoeuvring of BNP regarding the appointment of CEC has left us in no doubt that its dilly-dallying tactics were meant to stall the matter as long as possible and in the process, to raise one condition after another for the government to fulfil.

Had BNP been in power now, would they have shown similar consideration of asking AL to sit for discussion over the issue?

However, we do not understand if there was really any scope for discussion over the issue. The discussion, if at all there was one, it could take place only on a panel of nominees. But BNP spurned the offer of the PM to sit for discussion and instead, asked the President to initiate one. Even then BNP did not suggest any name(s) for the purpose! After all, CEC has to be a person with a good deal of administrative experience and a sufficiently senior person. It is not possible to create or invent a CEC by holding discussions on the issue. He has to be real person!

Therefore, by failing to name a candidate or refusing to do so for some ulterior motive, BNP has effectively forfeited its right to raise a hue and cry as they are presently being engaged in.

At least BNP could send the names(s) of their candidate(s) to the President for consideration if it deemed to sit with the PM. Since they did not do so, when there was ample opportunity for it, they have simply missed the bus! Now they can heat up the political atmosphere with agitation, rallies provocatively

slogans and by destroying public and private properties, which will only increase the sufferings of the people but won't help BNP.

Abul Mohsin
Siddhesawari, Dhaka

There is no respite for us

Sir, We are agast by learning that the patients of Chittagong Medical College Hospital (CMCH) will have to go without food from June 1, as the contractors have decided to stop supplying food protesting non-payment of their out-standing bills. The hospital sources said the contractors issued a notice to the hospital authorities on May 29 in this respect.

It is learnt that the CMCH authorities have advised the patients through a circular to arrange their own diet and that they recently have requested the ministries concerned for a fund of over 50 lakh for purchasing food items for the hospital patients but the ministry did not respond.

We don't know what to say. It seems that everyday there are bound to be some depressing news items and disintegration is setting in everywhere. The economy of the country is in a very sorry state, but oblivious to this the government is busy arranging special days, arranging felicitation programmes, etc.

Has our country come to this stage that the government could not even supply food to the hospital patients? Then why this wastage of money in other fields which we could do without?

Nur Jahan
Chittagong

No smoking inside the Secretariat!

Sir, Suddenly the Secretariat has been declared a tobacco-free zone. However, it is hoped that a phased programme would be introduced to enable a large percentage of the officials who are smokers to adjust to the sudden restriction.

Habits do not vanish as if by magic or by executive orders, or coercion (notice the drug abuse). Initially, a separate smoking area may be retained inside the Secretariat on each floor, as it is not possible for the thousands of smokers, who are Secretariat officials, to refrain from smoking for six to seven hours at a time at one stretch.

The implications of any order should be examined carefully from the practical point of view. It must be kept in mind that smoking is not a criminal act (otherwise the government would have declared it as such). The Secretariat officials and staff are confined to the restricted area during working hours, and it is impractical to expect them to go out of the Secretariat into the streets to smoke and come back and resume their work several times a day.

Knee-jerk policy like this is not welcome.

A Smoker
Dhaka

Magura Paper Mill

Sir, Magura Paper Mill, a joint venture public limited company, raised share capital in January '91 through sale of shares and debentures but unfortunately no interest on debentures has been paid as promised in the prospectus cleared by Security and Ex-

change Commission. It is not known whether this joint venture with China exists or not as no reply is given against inquiry letters. The shares and debentures are yet to be listed in stock exchanges for transactions. It appears from newspaper reports that at times Judges issue 'suo motto' rule for investigation or legal procedures. Under the above facts it is time to investigate whether shareholders' money has been swindled or utilised for other purposes instead of the purposes shown in the prospectus. The authorities concerned should look into the matter.

Mhabubar Rahman
Dasani, Bagerhat

Some thoughts

Sir, It seems to me that no good can happen to this nation unless we take up two things that is lend a helping hand to the poor and show respect for our 'ulemas' i.e. the religious scholars at the national level. Non-performance of any of these two duties, according to *Hadith*, brings misfortune to a nation and that is exactly what we have been doing.

So why don't we open almshouses to feed the hungry? Why don't we help the beggars off the streets? Why doesn't the government enhance the salary of *Imams* and *muazzins* of mosques? They live in a wretched condition and are always neglected. The government and the well-to-do should come forward with permanent programmes to solve this crisis.

Mushfique Ahmad
New Bailey Road
Dhaka-1000

Art Buchwald's COLUMN

Stocks for Everybody

WE'RE all going to be rich. George W Bush's idea is to let our citizens invest their Social Security in the stock market. No longer will we have to sit at home waiting for our Social Security checks. Now we can call up our brokers and tell them what we want them to do with our money.

This is a sure-thing proposition. No one ever loses money in the stock market. We are all bulls, not bears.

Here is what would happen at the Bideaway Retirement Home.

"Lockover, can I borrow your Wall Street Journal when you're finished with it?"

"I think I'll buy General Motors today."

"I'd rather take a whack at McDonald's. I hear they're going to put out a new sauce for their hamburgers."

"I made a mistake with Boeing, and I'm not going to put my money in either planes or hamburgers."

"Here comes O'Halloran. She's going to tell us how much money she has made on penny stocks in Nova Scotia."

"Hi, guys. Has anyone here invested in Canadian Cholesterol?"

"Why should we?"

"It's half the price of American Cholesterol, and people are driving to Canada to buy it."

"It's great to know your pension is so safe you can invest it in anything you want to and have no fear you're going to blow it."

"Owen lost his savings in Redmont Popcorn. His son worked for the company, but even he didn't know that all the Redmont executives had golden parachutes of \$215 million."

"Do you know what I would rather do than invest in the sock market?"

"What?"

"Go to Las Vegas. I think the slot machines there are much safer than anything that Wall Street can produce."

"I'm not sure about the slot machines, but I wouldn't mind putting my money on the crap tables."

There is then a discussion about having management put a stock ticker-tape machine in the dining room so people won't have to get out of their chairs to find out what AT&T did.

The consensus is that the government policy of allowing people to invest in their own retirement plans is giving everyone a new lease on life.

There is only one skeptic, Daniel Rozenweig, who says, "Suppose we lose?"

"No one loses in the stock market," everyone answers.

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