

Hospitals running without drugs? An eminently avoidable crisis

THE healthcare system has been pushed to a crisis that could easily have been avoided with minimal coordination on the part of the health and planning ministries. As it is, the inability of the two ministries to work together has resulted in a shortage of drugs in 450 government hospitals and left 14 other operational plans of the health ministry unfunded.

Neither ministry comes out of this sorry tale with much credit. The health ministry is at fault for not submitting its budget of Tk 602 crore to the planning ministry until two months after the planning ministry had allocated funds for the fiscal year. Receiving no funding request from the health ministry, the planning ministry allocated only Tk 250 crore to the health ministry under the annual development programme (ADP). There can be no excuse for the health ministry's lack of timeliness in this matter.

Nor is the planning ministry blameless. Even without outlines of the health ministry's plans for the fiscal year, the planning ministry could have used the previous year's healthcare expenditure as a guideline for the amount to be allocated. The Tk 250 crore allocated to the health ministry falls far short of what is necessary to satisfy the nation's crucial healthcare needs.

To compound the situation, the planning ministry has to date disbursed only Tk 11.84 crore of the total amount allocated, precipitating the healthcare crisis that now exists.

The planning ministry's proposed solution to the crisis seems equally unhelpful. It has reportedly suggested that the health ministry approach the donors directly to seek the Tk 64 crore of the ADP allocation that was to be donor funded. But seeking funding from donors is not the duty of the health ministry -- it is the function, one would have thought, of the external resources division of the planning ministry.

The result is that the purchase of drugs in 450 government hospitals has been suspended since July 1 and the needed funding for 14 other important programmes including safe blood transfusion equipment and measures to prevent HIV transmission is unavailable.

This crisis was entirely avoidable. In the future the two ministries must coordinate and make sure that the planning ministry gets the information it needs in good time so that the nation's critical healthcare costs can be met, and the planning ministry must ensure that allocated funds are disbursed as needed. But for now we would urge the government to intervene to ensure that the much-needed drugs are available to the hospitals on a priority basis.

Save Buriganga

Illegal occupation of the river must end

THE river Buriganga is being squeezed from both sides as the number of identified illegal structures, encroaching deep on the riverbed, has gone up to 890 from 304 in 2001.

What is really surprising is that illegal occupation of the river, already reduced to a trickle, continues despite the movement for saving the river drawing support from the government. A lot has been said and written about the river, considered the lifeline to a city beset with a host of environmental problems.

An eviction drive was launched in 2001 by the then caretaker government. But the latest report shows that the illegal occupiers have taken advantage of the fact that the grip of the law has slackened since then. Many of the encroachers are reported to be getting ready for legal battles, a clear indication of their being in possession of forged documents in support of illegal occupation. That shows what can happen when the government agencies concerned fail to take timely action against the violators of law.

The encroachers have built all sorts of structures and facilities extremely hostile to the environment. There are brick kilns and structures for stacking construction materials. The list prepared by the Deputy Commissioner's office and the BIWTA gives a detailed account of how land grabbers are swallowing the dying river and posing a grave threat to the environment.

It is admitted on all hands that the death of Buriganga will be a severe blow to the city. Successive governments also decided in principle that efforts would be made to save the river by evicting the encroachers. But the resolve did not seem to mean much in practice, as illegal occupation of the river continued unabated. Obviously, the environmentalists bemoaning the river's fate cannot check the rot unless the government takes an effective initiative in this regard.

The district administration and the BIWTA are reported to have finalised the plan to launch another eviction drive this week. That will be a move in the right direction, but the planners must also ensure that the drive is not stopped before its objective is achieved. It must continue until the river is cleared of illegal occupiers.

'Food security' saddled with loopholes

M. SHAHIDUL ISLAM

THE food prices have gone ballistic. What seemed like a creeping upward spiral only days ago has shown quantum jumps lately, making life miserable for the fixed income earners. The wage being momentarily static, a 25 percent increase in the cost of food alone (hence the cost of living) is taxing our ability to meet the ends.

Latest trend in food prices shows a kg of coarse rice selling at Taka 13-14, up by Taka 3-4 from weeks ago. A kg of 'fine' rice has had similar surges in price, climbing up to Taka 20 from Taka 16. This represents a 25 percent increase and no sane nation would sit idly by to watch such hikes roaring around in a brief of time.

There is a common assertion that price hike exacerbates prior and during the month of fasting, although facts tend to negate such an assertion. The 'Ramadan hike' is an artificial construct conjured by unscrupulous vendors and hoarders. It is more cultural than economic. It creates a scarier climate to justify the evildoers' machination to mint quick bucks. Other things being equal, Ramadan by and itself cannot generate such a price factor.

What are those other factors? In the last fiscal, rice production stood at 27 million tons against an estimated demand of 20.2 million tons. The data stemmed from government sources and it showed a surplus. If the demand was not projected wrongly, why the government imported food despite the production being more than the demand? Food import bills tripled this year.

Since the mid 1990s, successive governments told the nation that 'we are self-sufficient in food.' The claim sounded music to our ears, but, had it been really so, why 3.9 million tons of food were imported in 2002? And, why the current food reserve stands at 850,000 tons only (of which rice 679,000 tons and wheat 171,000 tons). The reserve is barely enough to meet a short-term disaster of any kind.

At the heart of food security lay the quantum of output from agriculture, which contributes 25 percent of the nation's GDP and employs 60 percent of labour force. The agriculture sector thus holds a considerable sway over the voting outcome in any

election. The tentacle of voters spreads from the agro-based villages and the politicians have enough reason to pepper over voters' emotion with false data.

That would be tolerable had the current hikes not transcended beyond prices of rice and wheat only. Agro-centric sectors like the fishery (5.4 percent), livestock (2.9 percent) and forestry (1.9 percent) jointly account for slightly less than 10 percent of our GDP. These sectors now find it difficult to cope with increased demands, and, prices of these items too are soaring phenomenally.

Then there are auxiliary food items, which constitute more than half of food expenses in any family.

Three decades on, we've learnt little to obfuscate relapses by fending off the domestic and international risks that can torpedo any stable food security strategy. Isn't it incredible that no serious study had reflected as yet upon the impact of a 'consumer revolution' on the food strategy despite such a revolution having changed the food habit of many by transmuting their life style?

A week's observation reveals the price of onion having nearly doubled, jumping from Taka 20-22 to 35-36 per kg. Likewise, prices of Soyabean oil, lentil, egg, vegetable and other basic foods are upping daily. The entire food sector seems exploding amid an 'overprice frenzy.'

A similar trend is observed with respect to wheat prices, which too registered an upward surge from Taka 7-8 per kg in 2002 to Taka 10-12 now. The hike here is almost 100%. Unlike rice, wheat has a variety of uses and prices of all wheat-products, including bread, increased commensurably in recent weeks.

The scaring spectacle leads one to suspect that, either the traders are hoarding to inflate prices, or the supply has fallen short of demand. Either way, the government seems to have lost its leverage over the price mechanism and allowed a molehill hike to grow into a mountainous inflation. The demand-supply equilibrium is lost.

Meanwhile, the fallout of the hikes has put the macro-economy into a spin as the Consumer Price Index (CPI) moved upward and

inflation glided. The ordinary people now find their going getting tougher each day while the government banks in the glow of celebrations and ceremonies to commemorate its two-years in power.

As such fanfare rolls on, the government's lack of perception in spotting the intricacies of food security is too evident to gloss over. Food prices showed no downward run despite another one million tons shipment having arrived between July and August 2003.

Given that the prices climbed further up the slope, loopholes in planning are nakedly exposed. The government's second strategy also faltered: the drastic cut early this year of taxes on food import (from

29 to 7 percent) has had inconsequential impacts on prices. One also fears that we are in the midst of a run-away inflation. While that is plausible, prices can defy stabilisation due to some other reasons too. The loopholes in the collection and collation of data on production, which is manipulated to earn political bravado, remain a major problem. Then there are discrepancies in measurement, delivery, and availability. The truth is hard to come by to assist any curious mind.

While crop food, mainly rice, accounts for 15 percent of the GDP, other food-centric sectors are cash-starved and underemployed. Experts believe fish alone could contribute 20% in the GDP growth if the government had concurred more with fish growers. Meanwhile, the fear of shortage is steering policy makers toward more imports. This will lead to more job cuts and further enfeeble the industry's competitiveness. This negative impact on agric employment and on other vital aspects of the economy coincides with reduced government spending and the yawning imbalance in the

rice and fish eaters, a trait on which rested our culinary reputation for ages. A 'fast food culture' is gripping us faster and its reality seems inescapable. Did we factor in all those 'obvious' while devising our food strategy? I bet, no. Small wonder then that, like the proverbial cow of a judge (kazi), the book shows the cow's presence while the barn has no trace of the animal.

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nation's saving and investment; resulting into a snail-paced investment flow and further obstructing the expected momentum in job creation and growth.

Outwardly though, reasons for an import-spree can be threefold: to meet shortfall; to beef up supply to ensure price stability; and, to boost food security by increasing the level of what one may call the 'strategic reserve.'

Available data does not support any tentative gains in any of the above. That aside, one should not condone the issues of mismanagement and corruption that mar the relevant departments entrusted with devising policies to stabilise food prices and to ensuring the adequacy of food reserve.

Rice and wheat are staples. Rice alone contributes 14.4 percent to the overall GDP and unfettered movement of rice and wheat within the country is a prerequisite to bypassing any famine syndrome like those prevailed prior to the 1974 famine. The 1974 famine was caused mainly by our lack of predictive visions and the authorities' inability to get food reached to remote places in time. The US also played a 'suspicious' role in exacerbating our famine situation by its refusal to ship out an already condemned food cargo on the pretext that Dhaka sold gunny bags to Cuba.

Three decades on, we've learnt little to obfuscate such relapses by fending off the domestic and international risks that can torpedo any stable food security strategy. Isn't it incredible that no serious study had reflected as yet upon the impact of a 'consumer revolution' on the food strategy despite such a revolution having changed the food habit of many by transmuting their life style?

We are no more the voracious

rice and fish eaters, a trait on which rested our culinary reputation for ages. A 'fast food culture' is gripping us faster and its reality seems inescapable. Did we factor in all those 'obvious' while devising our food strategy? I bet, no. Small wonder then that, like the proverbial cow of a judge (kazi), the book shows the cow's presence while the barn has no trace of the animal.

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Is Schwarzenegger Enron's nine billion dollar man?

Interestingly enough, it has been reported that Schwarzenegger met with Enron CEO Ken Lay in early 2001 and, according to the Los Angeles based Foundation for Taxpayer and Consumer Rights, internal memos linking his gubernatorial run to Lay and Enron have recently come to the surface.

ZAFAR SOBHAN

CONVENTIONAL wisdom has it that a combination of voter disgust with the politics-as-usual administration of outgoing governor Gray Davis and Arnold Schwarzenegger's star power and political backing were the factors that combined to propel the latter to the governor's mansion in Sacramento. There is, however, more to his election than meets the eye. It now looks increasingly likely that Schwarzenegger's candidacy was cooked up as part of a plan to keep energy companies such as Enron from paying \$9 billion they owe to the state of California.

Let's back up a bit and revisit the California energy crisis of 2000. The energy crisis was precipitated by the deregulation of the state's electricity sector in 1996. By one estimate the flawed deregulation scheme eventually cost the state \$50 billion. Under the deregulation plan, California's utilities companies were forbidden to enter into long-term contracts with power companies and forced to buy power at peak prices in the spot market. In addition, the plan barred the utilities from raising their rates and thus passing on the increased costs to consumers. However, the limitations of the initial deregulation scheme were not the only causes of the energy crisis. The crisis was greatly exacerbated by illegal market manipulation on the part of companies such as Enron that provided power to the state's utilities.

Governor Gray Davis insisted that it was the illegal market manipulation of power companies such as Enron that had caused the crisis and repeatedly requested that the federal government step in and impose caps on the prices that the power companies were charging the state's utilities. Davis is a Democrat and so it comes as no surprise that the Bush administration ignored his requests and left him twisting in the wind.

The illicit profits that were generated through the unlawful market manipulation of Enron and others have been pegged at around \$9 billion. With no help offered by the federal government, the Davis administration embarked upon the only path available to it to attempt to recoup the state's losses. The state filed suit against the power companies under the Unfair Business Practices Act in order to attempt to get the power companies to disgorge their ill-gotten gains. The state is also suing the Federal Energy Regulatory Commission (FERC), claiming that the regulatory agency had been wrong not to step in and impose price caps and that its inaction contributed to the loss of the \$9 billion.

The problem for Enron and company and FERC is that more and more evidence of the fraud that was perpetrated by the power companies keeps coming to light. As British investigative reporter Greg Palast reported on October 3, there is abundant evidence of criminal manipulation on the part of the power companies, such as 'fraudulent reporting of sales transactions, megawatt 'laundering', fake power delivery scheduling and straight out conspiracy.'

Palast theorises that the desire to place a sympathetic governor in Sacramento was what was behind the push to recall Gray Davis. Under this scenario, the power companies and FERC desperately needed a governor who would either call off the lawsuits or settle with the power companies and FERC for pennies on the dollar.

Interestingly enough, it has been reported that Schwarzenegger met with Enron CEO Ken Lay in early 2001 and, according to the Los Angeles based Foundation for Taxpayer and Consumer Rights, internal memos linking his gubernatorial run to Lay and Enron have recently come to the surface. Schwarzenegger claims not to recall any details of his meeting with Lay and has declined to comment on the internal memos.

So what does this all mean? Is there any validity to the allegation that Schwarzenegger's candidacy was cooked up at least in part as a scheme to get Enron and the other power companies who had defrauded the state off the hook?

On October 10, only three days after his election, Schwarzenegger announced his intention to settle all of the state's pending energy fraud lawsuits. You make the call.

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A historic Compromise? Centre-Left pact against BJP



PRAFUL BIDWAI
writes from New Delhi

THE latest by-elections to India's Lok Sabha from Solapur in Maharashtra and Ernakulam in Kerala, have shaken up party-political equations. Their results have been interpreted as a setback to the secular forces and a gain for the Bharatiya Janata Party.

Some analysts see the results as signs of weakness in the Congress's leadership and its recently -- reluctantly -- adopted strategy of alliance-building. They were certainly a big blow to Maharashtra's Chief Minister Sushilkumar Shinde, and Mr Vilasrao Deshmukh turned down the ticket. Mr Devkate faced energetic opposition from the BJP's Maratha sugar-baron Pratapsinh Mohite-Patil, brother of senior NCP minister Vijaysinh Mohite-Patil. The

instinct.

The NCP may have its flaws, but it is not communal. Rather, it's a centrist party with a multi-caste, multi-religious base. It cannot join a coalition with the BJP/Sena without splitting. The Solapur result should jolt the Congress into managing its alliances better.

In Kerala, the Congress lost "super-safe" Ernakulam to the Left Democratic Front -- for the first time since 1967. Before the results, there

Marad, near Kozhikode, there were repeated Hindu-Muslim clashes which forced 4,000 Muslims to flee. The government was extremely apathetic to their plight. Mr Antony's government is extremely unpopular.

His main internal rival, the Karunakaran group, has sensed the changed public mood and joined the CPM in attacking his "Hindu-communal" bias. This allegation is not far-fetched.

Recently, Mr Antony has shifted

A universal Centre-Left alliance against Hindutva would repeat the one-seat-one-candidate principle which defeated the Emergency-period Congress in 1977. Such a strategy needs some moral and political clarity. It must recognise Hindutva's uniquely undesirable character and menace to democracy:

* The BJP (with the Shiv Sena) is India's only significant political force which opposes the pluralist-secular

base and imposed hardships upon the people, e.g., through the virtual dismantlement of Public Distribution of food.

* The BJP practises confrontationist and intimidatory politics, undermining democratic institutions, such as parliamentary committees, the Finance Commission, National Human Rights Commission, Election Commission, and sometimes, the Supreme Court. The latest example is its threat to privatise IndianOil Corporation -- as a revenge for the Court's stay on the sell-off of HPCL and BPLC.

* The BJP is converting India into an authoritarian "National Security" state by exaggerating and communalising "security threats" and imposing draconian laws. It has doubled India's military expenditure over six years and made the public more insecure. It's trying to turn India into a vassal state of the United States, while mindlessly pursuing hostility towards Pakistan.

Voting the BJP out of the power is the topmost priority -- and a precondition for India's re-secularisation. It's only with a principled, united Opposition, with the Centre-Left as its fulcrum, that the scourge of communalism, militarism and hypernationalism can be eradicated... Only thus can the Indian people's energies be channelled into productive, democratic avenues.

foundations of this society and politics. It seeks to subvert the Constitution. This Hindutva agenda is reflected both in its long-term ideological commitments and its vicious attacks on Muslims and Christians.

* The BJP and Sena are extreme Right-wing parties, bonded to anti-parliamentary organisations, and incapable of internal reform. They are controlled by unelected cabals like the RSS which aren't answerable either to the electorate or the administration.

* The BJP has pursued malignant policies -- in economics, foreign affairs, security and social matters. These have weakened democratic structures and India's economic

foundations of this society and politics. It seeks to subvert the Constitution. This Hindutva agenda is reflected both in its long-term ideological commitments and its vicious attacks on Muslims and Christians.

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* The joke goes on that while the audio system was going off and on at the opening ceremony, one of the foreign dele-

gates asked a local MP standing nearby, "How come the sound system is going off all the time?" The local MP replied, "You see, our Speaker, who is the President of the CPA conference, use to do the same with the audio system -- on and off whenever our Parliament sessions are on." You will get used to it in next few days."

Ziauddin Ahmed
On e-mail

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