

Chittagong crime

Business bearing the brunt

RECENT reports suggest that Chittagong is becoming an increasingly difficult place in which to do business. It has been reported that on average at least five business houses a day come under criminal attack in the city, and, in addition to this, that businessmen in Chittagong also frequently fall victim to crimes such as extortion, mugging, and abduction for ransom.

This kind of systematic crime is always unacceptable. However, the fact that it is the business community that has been targeted makes it all the more urgent for the local authorities to take steps to bring the law and order situation in the city under control.

We are at something of a loss to understand how such a state of affairs has come to pass. One would have thought that after last year's sensational abduction of business magnate Jamaluddin, that remains unsolved to this day, and that launched a massive shake-up in the port city police force, the city authorities would have given extra attention to the travails of the business community, and be working overtime to ensure that they are free to do business without fear.

However, it is clear that precious little has improved for businessmen in the city. It seems that they are as vulnerable and unprotected as they were before. Indeed, things have got to such a state that the Chittagong Chamber of Commerce and Industry (CCCI) has been forced to set up a cell to monitor attacks on businesses and to help the affected parties.

This is a commendable measure on the part of the CCCI, but only goes to show how far the authorities have abdicated their responsibility to keep the business community safe and secure. When the business community must rely on private means to protect themselves, then it is safe to say that the police are not doing their job properly.

Chittagong has long been the hub of commercial activity in Bangladesh. The country's growth and development depend on the city flourishing and expanding and on the continuing evolution of Chittagong's commercial sector. As such, the protection of the city's business community is vital to the well-being of our economy.

Bomb blast at temple

A mindless act that can't go unpunished

WE find no words strong enough to condemn the hurling of a bomb at a temple in Khulna. Hindu devotees were celebrating a religious festival -- Rath Jatra -- when motor-bike riding gangsters tossed a bomb into the temple compound. This is indicative of some desperate and barbaric attempts being made to unsettle social equilibrium and communal harmony.

An officer of the Khulna Metropolitan Police has said that the attack could have been the work of some extremist group and that the target was not the temple but policemen. It is, however, not known on what basis he drew such conclusions. The deductions are extremely premature; and unsubstantiated as they are, could prejudice the investigation process even before it has been launched. Nor does it reduce the culpability of the offence to know that it is the first ever attack on a temple at the divisional headquarters. The sad truth remains, irrespective of the identity of the perpetrators and their speculated target, that a religious place has come under assault. The ramifications and implications of the crime must not be lost on the law enforcement agencies and the government.

We regard it as an assault on the rights of a community which we are constitutionally obliged to uphold and protect. The members of a community can only feel insecure when a festival of theirs is targeted by the forces of intolerance. Let there be a full-fledged investigation to ferret out the culprits.

It is clearly not enough to bolster security arrangements at the temple; what the law enforcers must ensure is that the culprits are speedily brought to justice. Otherwise, the temple bombing might also melt down under the huge pile of unresolved mysteries. We must not be oblivious of the fact that some enemies of the people are trying to undermine the foundation of this society by committing acts that run counter to the principles of tolerance and equal rights for all citizens. These elements must be reined in before they can cause more harm.

Budgets: Correcting or creating poverty?

NITAI C. NAG

THE words poverty alleviation appears so frequently in Finance Minister Saifur Rahman's budget speech as to incline one to wonder why. According to the proposed budget, 62 percent of the development budget and 42 percent of the non-development budget are meant for reducing poverty, directly or indirectly. This is not new however; all the budgets in recent times are but narrating the same thesis.

The statistics on poverty quoted in the budget documents could also appear confusing. Incidentally, human poverty -- deprivation of human beings of basic amenities of life such as safe water, sanitation, vaccination etc -- has declined in Bangladesh from 50 percent in the early 1990s to 40 percent at the turn of the last century. Income poverty, measured in terms of the number of people earning less than a dollar a day, has declined during the same period from 59 percent to 50 percent. While human poverty fell on average by three percent annually in the 1990s, income poverty declined by less than one percent. The finance minister is proud of the figures, as if they can be attributed to his expertise in making budgets.

In order to reduce poverty further, the finance minister wants, among others, to implement efficiently the Poverty Reduction Strategy Paper (PRSP). The latter refers to a document which the government had earlier to borrow funds from the IMF.

It may be noted that during the closing years of the last century, the world's development agents -- the World Bank and the IMF -- began to find their very existence irrelevant in the face of growing criticisms over, *inter alia*, poverty rising instead of falling. The number of least developed countries more than doubled to forty nine in about two decades. Many of those countries were facing bankruptcy. Governments in those countries began to face bitter criticism; people would brand them as collaborators of the foreign masters.

At that juncture, the IMF's strategy for its own survival included, *inter alia*, inventing the so called Poverty Reducing Growth Facility (PRGF). The latter replaced the earlier versions of the IMF's lending facilities, namely, the SAF, ESAF, etc. Under the new facility a country can borrow a certain amount of funds against successful

preparation of a paper called Poverty Reduction Strategy Paper (PRSP). PRSP is the operational framework for the Fund's support to low-income countries under the PRGF. According to the IMF, "[A]lignment of the PRGF (and other donor-supported programs) with the PRSP will only become truly effective when the PRSP itself is closely aligned with the budget process in each country."

PRSP thus is the guide to the budget makers in countries that qualify for PRGF loans. The IMF states that PRGF-supported programmes are based on country-owned poverty reduction strategies adopted in a participatory

process involving civil society and development partners.

But critics argue that the content of the PRGF loan appears no different than past ESAF loans: "The standard macroeconomic targets and structural adjustment conditions make no reference to poverty reduction needs."

Honduras, for example, was given a PRGF loan without reference to a PRSP. There has been no discussion by the Honduran government with members of the civil society to prepare a PRSP.

Bangladesh has been granted a loan of \$52 crores under the PRGF in June 2003. In order to qualify for the loan, Bangladesh had to prepare its PRSP. While doing so, the government also religiously fixed the macroeconomic indicators, such as, current account position, external reserves, etc. It may be noted that current account showed deficit every year between 1998 and 2001. Afterwards, current account began to show surplus; it is doing so until now. Also foreign exchange reserve rose from just over \$1 billion in 2001 to \$2.6 billion now.

In the IMF's own evaluation: "Bangladesh's economic performance has strengthened in the first year of implementation of the government's PRGF-supported economic program. Economic growth has picked up, inflation is

infamous ESAF. As long as the macro targets are met the IMF will approve loans to its client, reserving lip service for poverty alleviation.

In case of Bangladesh, the GOB's fulfilment of the macro targets plus promises to go ahead with such agenda as tax reform, reforming the nationalised commercial banks, and establishment of Independent Anti-Corruption Commission, etc. were enough for qualifying for funds.

And it is under this background that one will have to scrutinise the finance minister's proposed scheme.

The finance minister wants to engage the poor section of the countrymen in income raising activities to reduce income poverty. In conformity with the so called Millennium Development Goals of the United Nations, the government is implementing a three-year plan (PRSP) of economic growth, poverty alleviation, and social development. In order to reduce poverty by fifty percent within 2015, the country's economy has to grow seven percent annually. It is as a step toward that goal the government has planned to spend as much as 62 percent of the development budget and 42 percent of the non development budget in order to reduce poverty directly, through relief, and indirectly via employment creation for

the poor.

All the sectors of the economy -- education, health, agriculture, etc -- will be covered by the finance minister's poverty reduction strategy. Rural development will find more special attention than was given earlier. The issue of social security will find enormous extra care.

The means to the end in sum is the following:

Allowances for the old, widows, divorced women, and poor freedom fighters, are to be raised. All the existing relief programs, such as, VGD, VGF, Food for Works, Cash for Works, test relief, etc will receive enhanced allocations.

that by the next ten years income poverty will decline on average by two and a half percentage points yearly owing to these measures. Of course the finance minister himself does not base his expectations on these measures alone.

He expects to find support from the rest of the economy too. An export processing zone and industrial area will be established in the now deserted sites of Chittagong Steel Mills and Adamjee Jute Mills. Over 0.9 million new jobs will be available as a result. Reduced interest rates on bank lending and lower duties on imported raw materials will stimulate private investment, which in turn will

within his control. It is worth noting that in keeping with tradition, the proposed budget lowered tariffs on import. Research findings show that employment consequence of Bangladesh's trade liberalisation is generally negative. In the decade of the 1990s, the observed growth in the manufacturing sector has been due to growth in the garments and pharmaceutical industries; trade liberalisation as such did not have much to do about that. Again, the import promotion that followed those tariff reductions ruined many previously existing industrial units in terms of output and employment. Researchers also find that there followed a significant decline in employment in the informal manufacturing industries consequent upon the rampant tariff reduction in the last decade.

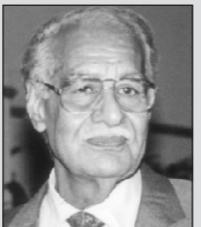
Another unfortunate consequence of Bangladesh's excesses about tariff reduction is that she can expect to benefit least by joining South Asian Free Trade Arrangement (SAFTA). As a member of the WTO, Bangladesh will have to accord its lower tariff facilities to the members while the latter will reserve their right to bargain with Bangladesh on the basis of respective higher tariff structure.

Again, not unlike in the past, import promotion will put its pressure on foreign exchange reserves, which under the ongoing system of economic management will only necessitate further belt tightening. Public investment will become the number one casualty. Already, the size of the proposed ADP is the lowest ever in real terms. The current fiscal year's ADP had to be slashed. Studies show that cuts in public investment unnerve private investors. The proportion of private manufacturing investment has reportedly fallen lately.

What will be the employment consequence of all these? Will poverty thus be corrected or created? It is only unfortunate that while the finance minister is meeting the IMF's demands no matter what the consequences may be, he also wants to assert that the same exercise is the best of all possible alternatives that the nation can expect.

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Gunning for talks



KULDIP NAYAR
writes from New Delhi

THE army on the Indian side of Kashmir says that infiltration from Pakistan has increased. The Home Ministry reports in a 30-page document that training camps have been reopened on the Pakistani side of Kashmir and some 500 militants are undergoing training. This is nothing unusual. Militants' camps have never been completely wound up and infiltration takes place after the melting of snow at the passes straddling over the mountains.

Yet, it was expected that in view of the ongoing talks between New Delhi and Islamabad, Pakistan would stall infiltration. This impression got strengthened after President General Pervez Musharraf gave such an indication after meeting with former Prime Minister Atal Behari Vajpayee last year at Islamabad. The quantum of infiltration is still small. One cannot say for certain whether it would reach the proportion which it had in the past decade. Nor can one be sure about how far Pakistan was behind it. There are some jehadis who, even Musharraf admits, cannot be checked since they are like a loose gun beyond anybody's control.

But if infiltration is beginning in

the same old way, it is an unfortunate development. It will be a clear message from Islamabad that it is not happy over the content of the talks. The Pakistan spokesman in his last week's briefing dropped a hint: "There are some differences. Pakistan has its own position and India its own. We have been talking about it for quite some time without reaching any conclusion."

Was the hush-hush meeting between Security Advisor J N Dixit and Musharraf's advisor Tariq Aziz at Amritsar meant to break the deadlock? Surely, the resumption of infiltration was too rapid a reaction.

Such a sharp observation by an organisation like the Bar Association meant two things: either it did not know what it was talking about or it was speaking somebody's voice. Whatever the truth, it served no purpose. If Washington had

pressure on Islamabad for accepting the Line of Control (LoC) as the international border. Still that was the general impression in Pakistan. An angry reaction from the least expected quarters, the Lahore Bar Association, told all. The association said that "a well contemplated plan by America on Kashmir" was in the offing.

But now, after 57 years, how can it accept a solution on the basis of the two-nation theory which even its exponent, Qaid-e-Azam Mohammad Ali Jinnah, had discarded after the creation of Pakistan? He said that the Hindus and Muslims in Pakistan were Paki-

become weightier just because this part has Muslims in a majority. New Delhi cannot afford to reopen partition and pose a threat to its ethos of secularism. Had the state acceded to Pakistan when the British rule lapsed in August 1947, India would have taken the development in its stride.

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ganantly etched the life of ordinary people, sandwiched between militants and security forces. So has nuclear physicist Dr Parvez Hoodbhoy in his documentary, *Kashmir, Pakistan and India: Crossing the Lines*. According to the *Economist*, "a 15-year war has claimed 40,000-110,000 lives." The two countries should ponder how to stop the killings.

One way is to silence the guns of militants and security forces. So has nuclear physicist Dr Parvez Hoodbhoy in his documentary, *Kashmir, Pakistan and India: Crossing the Lines*. According to the *Economist*, "a 15-year war has claimed 40,000-110,000 lives." The two countries should ponder how to stop the killings.

One way is to silence the guns of militants as well as those of security forces. New Delhi may be willing for a complete ceasefire but Islamabad is not likely to do so because even after ordering a ceasefire on the LoC it has looked the other way when the militants from Pakistan have operated in India. Such an approach is unproductive and only encourages the militants and security forces. So has nuclear physicist Dr Parvez Hoodbhoy in his documentary, *Kashmir, Pakistan and India: Crossing the Lines*. According to the *Economist*, "a 15-year war has claimed 40,000-110,000 lives." The two countries should ponder how to stop the killings.

Violence cannot possibly lead to a solution of any major problem today because violence has become much too terrible and destructive. If the society we aim at cannot be brought about by big-scale violence, will small-size violence help? It won't because violence breeds more violence and produces an atmosphere of conflict and disruption. We have too many fissionary tendencies in the two countries to take risks.

The basic thing, I believe, is that wrong means will not lead to right results and this is no longer merely an ethical doctrine but a practical proposition.

What does one do in the mean-while to lessen the sufferings of Kashmiris? Many books have come out to describe their agony. The recent one, *Kashmir: The Untold Story*, is by Humra Qureshi, a sensitive journalist. She has poi-

public gaze and media glare. And it would be availed by non-officials.

This almost appened three years ago when two non-officials, former Pakistan foreign secretary Niaz Naik and former MP R K Mishra met secretly a few times to achieve something "close" to the solution during the regimes of Vajpayee and Nawaz Sharif. Such efforts take time.

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BETWEEN THE LINES

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Even today's Islamic state of Pakistan, although preponderantly Muslim, does not follow the two-nation theory. The Pakistan nation comprises Muslims, Hindus and Christians. The minorities are not a separate nation, nor do they have a separate electorate. The solution of Kashmir, whenever found, will be on the basis of Kashmiriyat, which is pluralistic in content and secular in character.

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stanis and the Hindus and Muslims in India were Indians, free to pursue their religion but not to mix with the state.

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routine anniversaries. Too much systems loss, which saps public confidence in political culture.

Original electorate are to back up the right leadership. There are historical reasons for this paucity in moral thrust, but there are twinkling stars in the succeeding generations to act as torch bearers in search of a better way of life. Act now, before the steam pressure fizzles out.

AZ
Dhaka

Import duty on newsprint

New duty on newsprint import may push the costs of newspapers up. I think the existing price of a newspaper is already too much. The number of newspaper readers

Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

SQ's defeat

It is indeed good news that the candidate of Bangladesh government, Mr. SQ Chowdhury, lost the OIC election and reminded everyone once again that the Liberation War of 1971 was a great event that the people both at home and abroad remember with due respect.

Chowdhury Hafizur Rahman
Lincoln's Inn, London, United Kingdom

Role of DS

It's needless to speak about the great role of The Daily Star in nation building and in shaping up democracy in Bangladesh. But I would like to make my point on a different subject here. I would strongly request you not to publish senseless comments of our

immature political leaders. These comments not only make us feel ashamed of our incompetent leaders, but they also hurt the image of our country. I often read such comments from our so called leaders against each other on any event. The recent comments of SQ Chowdhury on OIC failure, comments of the mayor of Chittagong on the arms' had etc. are some of the examples of how the politicians speak. The top leaders and other lawmakers are known to have made such comments several times in the past. Publishing such comments does not do any good for the country, rather the politicians use the