

Portugal's hour has come in Europe



MUHAMMAD ZAMIR

Burdened by carryover projects

Take the dross off the ADP

THE Tk 22,000 crore Annual Development Programme (ADP) for fiscal 2004-05 has a total of 1,199 projects, out of which 455 are in the 'unapproved' category, which cannot but raise a question: how projects awaiting approval could be adopted in the ADP? But the irony is, this has been happening year after year.

There is more to it; a break-down of the so-called 455 unapproved projects for this year, which is a record number, shows that 125 are remnants from last year's portfolio, and 330 are new 'unapproved' projects. But what startles one even more is the fact that the 125 carried over projects have had a total allocation of Tk 1817 crore in contrast to Tk 1812 crore for the 330 so-called new unapproved projects. Why must unapproved projects have any allocation at all?

At any rate, all this goes to poignantly underline the burden of liability projects weighing down heavily on the fate of ADP implementation. A question-mark may also dangle on the very nomenclature of Annual Development Programme! Isn't it an encumbered, compromised and unsustainable ADP for all intents and purposes?

The untenable projects were based, not obviously on economic considerations, nor on a dispassionate perception of national priorities, but on a submissive pandering to lobbyist pressure. Worse still, political calculations behind project selection and siting get the better of any overall development planning judgement. The purpose doesn't seem to be to complete a task but to keep projects hanging for more money to be spent depending on the strength and clout of lobbyists, contractors, politicians and other people. It all seems like a game of squeezing out cash in any form in the name of projects. The construction-oriented projects in particular have been the happy-hunting ground for the vested interests. It's a vicious cycle: some money spent on a project is an excuse for spending more money there. So, it goes on and on; never mind the cost-and-time-overruns of inherently bad projects! It's a horrific waste of scarce resources. And, the sense of loss is gnawing when viewed in the context of missing allocations to potentially more useful development projects that got thrown by the wayside.

So, here we are reminded of a recipe suggested by the Public Expenditure Review Committee (Perc): get an expert committee to have a professional say in the matter of choosing projects for the ADP, instead of a cell at the Prime Minister's Office that currently determines which projects are priority ones and which not.

DCC's shoe-string budget

Better arrangement warranted

MAYOR Sadeque Hossain Khoka has announced a budget for the Dhaka City Corporation (DCC) that is as cash-strapped as the previous editions have been in recent years. The development outlay is 73 per cent of the total budgetary allocation of Tk 922.01 crore. The remainder 27 per cent will be spent to cover recurrent costs reflecting a rather minimalist concern for maintenance.

The reliance on government funds and foreign aid remains a critical element to the budgetary exercise: Tk 522.25 crore coming from those two sources. The revenue collection target is set at Tk 391.01 crore, which sounds rather ambitious given that only Tk 238.21 crore could be garnered internally in the foregoing year.

But there is an obvious scope to improve upon the collection figures. Holding tax, for one thing, remains a problem area. One wonders why? There is potential for a turn-around in the situation: Tk 85.76 crore worth of holding tax is in arrears. Why must the government, semi-government and autonomous organisations default on payment of the tax? Yes, the general taxpayers owe Tk 71 crore in outstanding payment. There are complaints from the denizens that the DCC assessors have been arbitrary in fixing a levy in the first instance which leads to hearing of appeals to reduce it. The cases are not disposed of quickly enough, so that the payment schedule hits a snag.

In this context, we should welcome mayor Khoka's decision to introduce self-assessment system to collect holding tax at the ward-level. That he has settled for this instead of increasing the levy is a good move. Leaving it to the holding owners should be deemed to be a progressive step.

That said, we turn to mosquito control and waste management which are intertwined issues. Tk 17.50 crore is earmarked for containing the mosquito menace, and Tk 60 crore for waste management making for a total of Tk 77.50 crore which is perhaps a little more than half the required amount. But can the mayor ensure we will get even that money's worth? There is ample scope for better management of city affairs topped off by a brake applied on corruption and malpractices. We believe mayor Khoka can vastly improve the service delivery system with some private sector participation.

ment by the European Parliament. If, however, Barroso emerges with a small and thus politically disabling majority, as happened with Jacques Santer ten years ago, it might prefigure for him many political problems and misfortunes in subsequent years.

To simply have survived the arcane, behind-closed-doors process by which the President of the European Commission is still chosen is itself a tribute to the resilience of the successful candidate. It was not surprising, therefore, that the

French President Chirac led the charge against Patten, saying the new President must come from a country involved in all European projects, including the Euro and the Schengen group (that has dismantled internal border controls). Britain, unfortunately does not subscribe to either of them.

After Verhofstadt and Patten withdrew, other names were mooted, including Javier Solana, Spanish EU foreign affairs Chief, Pat Cox, Irish President of the European Parliament and Peter Sutherland,

crucially provide for involvement in a key decision by the voting public and it will also send a transparent signal of preferences to the European Council.

I believe that the forthcoming appointment of the Commission's President in the European Parliament and the possibility of differences of opinion there will only strengthen that Institution. This will enable the slowly emerging European proto-parties to flex their muscles. In particular, the Party of European Socialists and the Greens

The question that will remain, will be whether he has made any "informal" promises.

Barroso must also now start to bargain with Member State governments over who is to be appointed to the Commission. It is assumed that most, if not all of the interim Commissioners from the accession states will be re-appointed. Barroso might however be well advised to insist that Member State government provide him not with a single name but a short list including women candidates from which he

negotiations with Turkey. He will also have to referee the coming EU budgetary battle between EU payments and countries that are net recipients.

Barroso's qualities as a future Commission President has already been reiterated in his first major press conference in Brussels after his nomination. He is a formidable communicator -- not only in his native Portuguese but also in French, English and other Union languages. It is an asset which he will have to employ to the maximum over the coming years. This gift for advocacy will be in great demand in spearheading the campaign to ensure ratification of the agreed Constitutional Treaty.

The Portuguese Prime Minister has a wise head on his shoulder. He has already initiated the investing of new identities across the Atlantic. He has stated that 'a strong Europe is in America's interest' and that 'the United States should take advantage of multilateral solutions.' In this context, he has also underlined the need for Europe and the United States to work together in resolving outstanding issues like global terrorism development environment and trade.

Such an approach will be crucial in the coming years for developing nations in general and LDCs in particular. By the end of the year, the world will have completed another US presidential election and will also have an expanded EU with a new President of the European Commission. For the sake of stability and confidence building, the will have to work together to find acceptable solutions in Afghanistan, Iraq, Palestine and win WTO negotiations.

The developing world will now carefully follow the actions of Barroso, a former Maoist militant and preacher of the dictatorship of the proletariat. He, of all persons will be expected to understand the importance of poverty reduction and positive discrimination in support of the LDC group of countries.

Muhammad Zamir is a former Secretary, Ambassador and Permanent Representative to the European Institutions in the EU.

POST BREAKFAST

The Portuguese Prime Minister has a wise head on his shoulder. He has already initiated the investing of new identities across the Atlantic. He has stated that 'a strong Europe is in America's interest' and that 'the United States should take advantage of multilateral solutions.' In this context, he has also underlined the need for Europe and the United States to work together in resolving outstanding issues like global terrorism development environment and trade.

Prime Minister of Portugal, did not entirely disguise his surprise when he emerged from the special meeting of the European Council in Brussels on the evening of 29 June as the "consensus" nominee of the 25 Member States to hold perhaps the most demanding of international posts.

The sheer relief of the EU Heads of Government, and above all of the Irish president of the European Council, Bertie Ahern, at having obtained an agreed candidate at all, was clearly etched in the photos that appeared in different newspapers after the Summit meeting. No one, least of all Barroso, made any attempt to deny that he was not the first choice of most -- indeed almost any -- of the Member States. Nor was he the second or third or fourth favoured candidate. But -- in the end -- he was the candidate who evoked the least opposition from any of the different EU leaders. In this context it might be fair to claim that his nomination was by consensus.

The entire selection process reached deadlock over the rival candidacies of Guy Verhofstadt, Belgian Prime Minister, and Chris Patten, British EU Commissioner for External Affairs. Britain opposed the Belgian as being too federalist, while

former Director-General of WTO and currently head of Goldman Sachs. These candidates also persisted due to different debatable criteria. Then came Jean Claude Juncker of Luxembourg, Denmark's Anders Fogh Rasmussen and Wolfgang Schuessel of Austria. The wrangling continued amidst multiple qualification requirements till the least common denominator was identified and that was the Portuguese Prime Minister.

Barroso has himself humorously referred to the selection process having resembled a Papal conclave. The selection has not been universally popular in the countries whose candidates have lost and editorials are appearing in many newspapers urging reform in the selection mechanism. It is already being proposed that the process be made more open, democratic and more overtly political in five years time when the next selection of the President will be due.

Several countries have already suggested that the European political parties take their responsibilities seriously and present their preferred candidates for the Commission Presidency as part of their campaign for the 2009 European Parliament election. This, they believe, will

definitely use this opportunity to display vigorous opposition in order to define their identity in the eyes of the vast European electorate with any eye to the next election.

In anticipation of the difficult test that he must pass in the European Parliament, Barroso is already using the press to reassure those who fear his record as a free market liberal and his support of the United States led war against Iraq. In this context, he has emphasised his commitment to continuing European integration, to the need for a "strong and independent" Commission with the sole right of initiative and his commitment to a strong "social" dimension in the future development of the Union. He has also acknowledged the bitter divisions created over the Iraq war but pledged himself to be a President for European unity.

The immediate challenge facing Barroso will be to safeguard his authority as Commission President designate to choose his own 25-strong Commission and to decide who is given which portfolio. Barroso is insisting that he has given "no formal guarantees" on the distribution of Portfolios to the different EU Heads of Government who are already lobbying for key posts to be given to their nationals.

can choose who is best suited for which responsibility. One thing is most likely. He will probably select one Commissioner from Belgium (most probably their foreign Minister Louis Michel), given the fact that the Prime Minister of that country withdrew his nomination in Barroso's favour.

The new President has many tough tasks ahead. Re-engineering the Commission will be one of them. Barroso will be entering unexplored territory when he is installed as the Commission President in November. The first question will deal with how many Vice Presidents will flank the President, and the Foreign Minister. There is a feeling that men and women appointed to the most senior posts (economic supremo, monetary policy, competition, social policy etc) should necessarily also be Vice-Presidents. Clearly that will be the case for Javier Solana, the new Foreign Minister, but it might make sense for the President to ensure oversight of some of the other large budget-heavy departments by separating the functions of Vice-President from responsibility for the other key dossiers.

He will also have to make sure the EU enlargement stays on course and will have to prepare for difficult

OPINION

Who will benefit from agriculture subsidy?

NAZRUL ISLAM

"Yes, we will do anything for the poor man, anything but get off his back." - Tolstoy

THE government seems to be caught up with the idea of achieving magical growth in the agriculture sector by doubling subsidy to Tk 600 crore this fiscal year from Tk 300 crore last year.

The decision, of course, earned acclamation in some quarters and raised eyebrows in others, as the reason behind such a decision was open to question. Many think the decision was aimed at reaping political gain rather than doing any good for the farmers.

Will the subsidy money really reach to the genuine farmers? Who are the beneficiaries of such subsidies? Will the subsidy create new employment opportunities or cut jobs for agricultural labour?

According to the Bangladesh Bureau of Statistics the number of households in our country is about 14 million (I have no other option but to quote the BBS data despite having little faith). Of this, the number of non-farm households is about 4 million while farm households number 10 million.

The number of small households (0.05 acres to 2.49 acres) is about 7,066,000 occupying 6,573,000 acres of land. On the other hand, the medium (2.5 acres to 7.49 acres) and large-sized households (above 7.5

acres) number 2,997,000, and are holding 16,105,000 acres of land.

From the data, it is seen that more than 70 per cent of farm households occupy roughly 30 per cent of the farmland, while 30 per cent own roughly 70 per cent. In the small household group, the lowest quantity of land is only five decimals and the highest 2.49 acres, with an average of 90 decimals.

It is evident from the above statistics that land distribution in our country is very unequal. A small section of people hold most of the land and the larger section either does not have any land or owns only a meagre quantity.

According to the decision, the government will provide the subsidy in the form of price-cuts in fertilizer, pesticide, electricity, agricultural machinery etc. Large farms will require a larger quantity of inputs and small farms a smaller quantity. That is, the households having large farms will receive more money from the government in the form of price-cut while purchasing inputs. On the other hand, small farm owners require fewer inputs and will thus receive less money as subsidy.

In fact, an owner of a large farm to rush to the large households, many of whom are moneylenders in the rural area, for cash at high interest rates.

Now we see who is getting how much of the total Tk 600 crore. The medium and large farm holders, who comprise only less than 30 per cent of the total households, will get Tk 426 crore with an average Tk 1421 per household. The remaining more than 70 per cent of small farm households will receive Tk 174 crore at the rate of Tk 246 per household.

There are some 5,495,300 households who are agricultural labourers. The percentage of agricultural labour households to total households is about 40 per cent. These 40 per cent of people are totally deprived of the subsidy. The government is doing nothing for them.

How will the subsidy impact the agriculture sector? Will it increase productivity? Will it create any new jobs? Will there be any other chain of reactions?

Although, the subsidy money is very big in nature, the farmers will be encouraged to apply more chemical fertilizers and pesticides in their crop fields, which have already been diseased due to excessive application of these inputs. The price cut in

agriculture are the owners of agricultural land here. The urban elite and middle class are the descendants of the rural upper and middle class. Although they do not have any direct involvement in agriculture, they are the real beneficiaries.

The 2,979,000 households would be the most benefited section of the government subsidy. The government may provide assistance to them but how will the government help other households who actually need assistance for their sustenance? Has the government undertaken any steps for them?

Our planners, economists, and decision-makers forget one fact: that Bangladesh is totally different from other countries, even neighbouring ones. Bangladesh's society and economy are plagued with high

degree of landlessness, large number of small and marginal sustenance farmers, high density of population, lack of industrialisation, and many other bottlenecks. You cannot replicate other's ideas or plans in our condition. You may have a good idea of making our agriculture commercially viable, but nothing can be achieved depriving the marginal and small farmers who are the backbone of our agriculture.

Have you ever seen how a rural small or marginal farmer cares for his single piece of land? He sees it like his child. Unfortunately, they do not have enough land for their own. Although they do not get enough crops from their small holding, they have no option but to stick to the production process. The other groups -- medium and large farm households -- have alternatives like trade and businesses and government and non-government jobs for their livelihood.

It was seen from the above analysis that the lion's share (Tk 426 crore) of the subsidy money will go to the pockets of a small section of people, who are basically affluent. But by earmarking the huge amount for subsidy, the government has managed to suggest to the general population that it is doing a great job for the farmers and toiling masses.

It is the privileged section of society that always gets the upper hand in deriving government benefits.

Nazrul Islam, a graduate of Bangladesh Agricultural University, is a journalist and environmentalist.

TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR

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.

Arab and now Arab Muslims

The inner conflicts in the society in Saudi Arabia were well spotlighted by a visiting Muslim professor from the USA (Opinion in the DS June 28). More such topical analyses should be published in the Muslim countries located away from the Arab-speaking world, as huge communication gap prevails in the Islamic world (at all vertical levels).

The conservative Islamic institutions in the Arab world have to live with the fast-changing 'modern' global changes; no point in constantly watching the rear-view mirror, as the commentator aptly observed. What a coincidence: Dhaka political leaders also run the show keeping an eye on the rear-view mirror! Sterner critics would proclaim: do not look into any mirror, and don't look at your own face (selflessness).

Western imperialists (non-Muslims) have penetrated the Islamic ME stronghold, with footholds in Israel and Iraq; and acting as a gatekeeper in Afghanistan.

Islam has to adapt itself to modern conditions. The tools and ingredients are there, sans the right type of leadership in the Muslim countries. Outside groups are taking advantage of this disunity amongst the Muslims. The coming role of the OIC is pivotal in establishing the right foundation, followed by the right road signs.

The language problem comes in. Like English, an international language today, there is no one language of communication and exchange in the Islamic world. The non-Arab Muslim world is densely populated, and its poverty levels cannot be ignored.

Our shopping centres and social intercourse lack the variety of foreign Muslim visitors, as we see in the

international tourist industry. There is no move (subtle or visible) to popularise Islam through tourism! Where are the Muslim leaders hiding? A Husnain Dhaka

Alert for BGMEA

Looting of cash on way from bank to offices of garment factories is becoming a regular feature in these days of hold-ups, and terrorism. Therefore the BGMEA should provide the necessary security service to thousands of factories all over the country on subsidised basis.

BGMEA is in the news for export demands only, and its PR is poor for public awareness about how things run internally, including service facilities to the lakhs of garment workers. The medical and the child day-care services, the overtime allowance, leave quota utilisation

and other humanised information are not publicised. Huge unethical profits will evaporate, according to the moral law of compensation; (how many crores of taka are spent annually by Bangladeshis for treatment abroad?). In the garment sector, QC is weak on staff services and relations. What role the insurance sector is playing in this huge industry? Tell the public about regulatory practices, enforced or voluntary. The image of the owners is rather negative. Opportunism will not last from the next year's open global market. AZ Dhaka

Remilking the cow

A foreign Muslim analyst pointed out (as a visitor to Saudi Arabia; see DS June 28) that the fundamentalist institutions in the Arab world were 'remilking the cow.' He was referring

to the inability of the clerics to come out of the pages of the holy books and market practical tools and gadgets for the unity and revival of Islam, now mistakenly credited to the terrorists, who are dubbed as Muslims fighting against Western imperialism and materialism.

To a local citizen in Dhaka, it appears that our political leaders are also milking the cow in the field of political culture. Result: premature or still-born regimes who cannot mature into adulthood, and are unable to grapple with the problems of the new nation. Ironically, most of these problems are created by the politicians themselves; but they hide in lofty sermons, which go above the head of most of the citizens.

One generation has been ruined, and the second generation is being groomed in the wrong way. The price of poor leadership is very high, and lingering. The systems losses in

politics is costing the nation dearly, but the leaders continue to remilk the cow. The resulting cobweb has entangled flies of many types. This is an analogy for the vicious circle of the aloof, rich and the mighty. The political wisdom displayed is as dense as the number of people per sq km (above 1,000, one of the highest in the world).

Whatever is the name tagged to this malady, the cure is not in sight. First protect the citizens, or the incompetent leaders? Alif Zabr Dhaka

Dhaka-10 by-polls and the govt

To defy the HC's order of deploying army at all polling centres was a pre-planned conspiracy (will not be wrong to say) of the ruling party to win the most important Dhaka-10 seat through rigging. First of all, the

govt has violated the order of the HC which tarnishes the image of the judiciary and thus the government has proved that it has no respect for the highest judicial body. So, where the government can't respect the HC ruling which ensures every kind of justice, there the govt doesn't respect the common people of the country through whose mandate it has come to power. As a result, this government can do anything to cling to power whether it is legal or illegal and rigging through massive casting of false votes and most importantly humiliating the BDB's polling agents at the polling centres are clear manifestations of an unfair by-poll.

How can the govt can term this by-poll a fair one where most of the observers have found massive rigging? Faisal Hassan Onemail

Disgraceful indeed

Dhaka-10 bye election has again proved BNP's most corrupt, autocratic and ruthless nature, which has surpassed any other rigged election in the past. It shocked the whole nation and the democracy lovers of the world as a whole.

What a shame! Mir Rashid Vancouver, Canada

Peace loving or piece loving?

Killing of innocent people and chopping of dead bodies have become a fashion! A human body being cut into hundreds of pieces! These gruesome incidents are creating fear in people's mind. Moreover, the incidents are spoiling the image of Bangladesh. A worried man Dhaka