

RMG sector under deadline pressure

Tidy up the mess or lose business

THE inevitable has caught up with us. What precipitated the arrival of the moment of truth, the time of reckoning, is obviously the Spectrum factory collapse at Savar in April. The disaster brought under the microscope of the European media the poor labour safety standards and working conditions in Bangladesh garment industries that are far short of international practices.

A delegation of EU workers' federation and buyer groups meeting with Jute and Textile Minister Shajahan Siraj served a six-month notice on the garment manufacturers to ensure workers' safety, improve safety packages and upgrade working conditions or face shrinkage of export to Europe.

Since it is the government which has to secure compliance with the international labour and working safety standards from the garment sector, the ball is basically in the government's court.

The retention of market in our single largest export destination, the EU, is made contingent upon meeting a number of conditions such as adoption of adequate safety measures in the garment units, bringing Spectrum sweater industry owners under full legal coverage, payment of full salary to survivors, adequate compensation to victims of the Savar factory collapse, suitable overtime allowance to women workers and granting them leave with full salary during pregnancy.

These demands have been made from time to time by various worker rights groups through the local media. And, every time that a fire incident took place in a garment factory killing and injuring workers, the civil society including the media urged the government and the RMG industry leaders to avert recurrence of such an accident by taking appropriate safety uplift measures. Now, the pressure has come from the outside world, much to our embarrassment. The stake is that unless we show definitive signs of setting things right within a reasonable time-frame in keeping with what other countries have done, it could be another crunch in the making apart from the crunch-time we are already having in terms of the post-MFA shocks in the free-trade regime.

Consumer rights trifled with Protection law needed

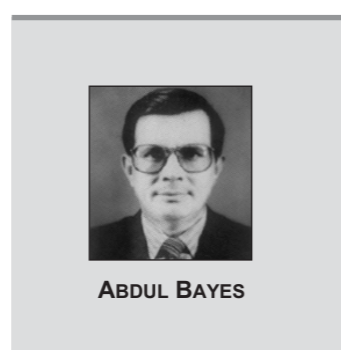
A seminar organised by the Consumers' Association of Bangladesh (CAB) looked at their rights scenario through the angle of price hike in relation to the proposed budget for 2005-06. At the discussion titled 'Budget of the Year and Consumers Protection Act', some speakers said that the proposed budget did not protect the rights of consumers as, according to them, commodity prices are likely to rise as a result of some fiscal measures suggested. Some even went on to comment that regular extortion on the highways and lack of monitoring at the markets contribute to the rapid, unchecked increase in prices.

The middle and lower income groups are the hardest-hit in this situation. But let's not forget that price hike is only one of the aspects affecting consumer rights. The other most important consumer right demands ensuring quality of products. There is no doubt that we are being shortchanged heavily, not only in the matter of quality, but also in weights and measures. Recent revelations, some too hard to believe, of adulteration in various food items have brought the issue of spurious commodities at the centre-stage of public concern. The government, after publication of those investigative stories, woke up and took some measures to combat the illegal practices running in the prepared food circuit. But these ad-hoc steps were like touching on the fringes.

The fact remains that there is no mechanism to automatically identify the establishments, factories, restaurants which supply inedible food by violating the safety standards. It's only after the newspapers report on the adulteration business that the authority shows some seasonal seriousness to tackle the issue. A few culprits get caught, but the problem remains. We have no hesitation in saying that the Bangladesh Standard and Testing Institute (BSTI) has failed, to a large extent, in performing its duties for whatever reasons. Why just them, the DCC is also to blame. But it is the government which has the biggest share in the blemish: it continues to dilly-dally with the draft of the Consumers Protection Act. An effective law must be enacted soon with the provision of instant punishment, and if necessary by setting up a special court to deal with the consumer rights related complaints.

CORRECTION
In our first editorial published yesterday under the title *Menacing drugs* - Value yourself, make healthy choices, the budgetary allocation for the narcotics department in the second paragraph inadvertently appears as Tk. 1,063 crore. The correct figure is Tk 10.63 crore. We regret the mistake.

Communities and markets: Foes or friends?



ABDUL BAYES

YUJIRO Hayami, the ace economist of Japan whom I introduced to my readers before, writes this time on Communities and Markets for Rural Development under Globalization. I am an avid reader of Hayami-researches mainly for two reasons. First, he brings to the fore the issues of grave importance that are rarely researched. I recall how he placed the role of middlemen in a typical low income society in one of his papers. Second, more often than not, he seems to use the language for economic laymen derived from sound economic exercises. However, in a keynote address to the European Association of Agricultural Economists (EAAE), Yujiro looks at the perspective of the issue under consideration from villages in Asia. Although mostly related to Southeast Asia, I presume that his observations on communities and markets would also apply to the context of South Asian villages. I therefore draw upon his paper, at times, paraphrased.

Historically speaking, the community and the market have been considered as mutually exclusive rival institutions. They are dubbed to

be foes, not friends, to each other. It has long been alleged that markets develop on the decays of communities that embrace non-market norms and non-monetary transactions. It is also being argued - by US populists in the nineteenth century and Mahatma Gandhi in India - that the intrusion of market activities into subsistence-oriented communities is bound to destroy the traditional norms of mutual help and subsistence guarantees, resulting

in recent empirical evidences, tend to suggest the possibility of a happy coalition between the two arch rivals. They go to argue that community relationships can be important basis for market development, especially, in its early stage. The reason being that the major barrier to market development is the absence of an effective mechanism for the enforcement of contracts. The role of trust and cooperation that a community seeks to supply,

by means of cooperation based on consent, coordinate division of labour among people towards a socially desirable direction".

In fact, the community supplies "local public good", the market provides private goods and the state supplies global or pure public goods. The local public goods comprise three segments. First, safety nets where well-to-do people in the community come to the rescue of the poor in bad years. Even

cal costs of violating social norms remain prohibitive, the community could be free of free riders. The fact that farmers prefer to trade with same villagers or with those having kith and kin in the village, point to the role of community in enforcing the contract.

"The strength of such a community relationship to support market transactions has been demonstrated by the success in trade and finance of Jewish traders in medi-

cottage industries, with effective use of reputation and trust mechanism endowed to rural communities. Their activities resemble those of rural entrepreneurs that supported the modern economic growth of Japan in early stage".

Yujiro Hayami thus finds communities and markets as friends, not foes, to each other. But what is lacking is the support to infrastructure that community needs to better serve the market or to the markets to get rid of market failures. The government should refrain from undue interventions in the market mechanism, rather, make markets work better through allowing communities to deliver maintaining traditional ties and norms in a modern setting.

But there is also a danger that should not be overlooked. The danger of market distortions resulting from rent-seeking behaviour of community leaders is no less serious under the slogan of community participation. "It must be recognised that under competitive markets the community relationship existing in rural areas in low income economies can be a great asset for building channels to convey profitable opportunities created from globalisation to the rural poor".

There should be fine blend of community, market and government. Neither market nor government should under-cut the role of communities. The demarcation line should be set in such a fashion that the society attains its optimum welfare from the operation of these three agencies. Realising the role of communities would, perhaps, need further thoughts on rural development in a globalised regime.

Abdul Bayes is a Professor of Economics at Jahangirnagar University.

BENEATH THE SURFACE

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in the destitution and misery of people.

On the other side of the fence is, however, philosophers like Montesquieu who treated traditional customs of human minds and conduct and identified market development as liberty. To Montesquieu, Markets are medicines to misery. Thus, arguably, these two models share the common view that communities and markets are mutually exclusive. In fact, the pre-modern economic exchange of goods and services - as espoused by eminent economist John Hicks and anthropologist Karl Polanyi - also point to the rule of customs and norms as opposed to the rule of profit seeking devices.

Yujiro and others engaged in institutional economics researches,

seemingly, contributes to the mitigation of the problems. Community, market and government can go a long way with an appropriate mix of manoeuvring.

"The market is the organisation that coordinates profit seeking individuals through competition under the signals of parametric price change. The state is the organisation that forces people to adjust their resource allocation by the command of the government. On the other hand, the community is the organisation that guides community members to voluntary cooperation based upon close personal ties and mutual trust. In other words, the market by means of competition on egoism, the state by means of command based on legitimate coercive power, and the community

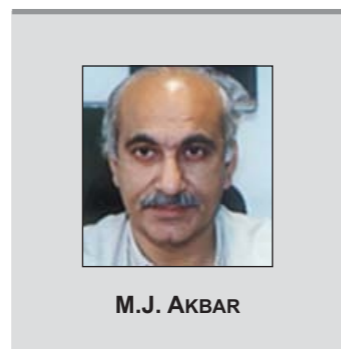
during the Zamindari system in Bengal, people heard of such help from the top for the bottom. Second, the conservation of common pool or common property resources such as forests, grazing land, irrigation systems etc are key to the role of community. This role has increasingly been prescribed recently. And finally, community helps market by helping in the fulfilment of contracts in exchanges. "The community has the power to suppress the incentive to be a free rider by means of cooperative spirit nurtured through intensive social interactions among members and their fear of being ostracised".

In a small closed economy, the costs of being a free rider could be very high where exit options are severely limited. If the costs of free riding and the attended psychologi-

cal costs of violating social norms remain prohibitive, the community could be free of free riders. The fact that farmers prefer to trade with same villagers or with those having kith and kin in the village, point to the role of community in enforcing the contract.

"Extensive field observations on agricultural product marketing as well as putting out operations for the manufacturer of labour intensive commodities in developing Asia have demonstrated the capability of rural entrepreneurs in hinterlands in organising efficient trade networks in support of peasant producers and

Poker-faced



M.J. AKBAR

A reshuffle should not be confused with a shuffle, nor a shuffle with ministry formation. When a new government is sworn in it is at the high point of energy and potential, having just been selected by a popular verdict. It has the thrill of virginity and all the hopes of fresh consummation. The electorate, like any beaming mother-in-law, wants children as soon as possible. The electorate, like any gruff mother-in-law, sours quickly when it gets only bath water instead of a baby. A shuffle after a year's waiting period (normal pregnancy pause) is proof that not everyone in government is delivering.

The impending shuffle of the Manmohan Singh ministry is going to be a limited one. None of the allies will release any quality portfolios they might have got unless they are offered better ones and there is no hope of that. Lalu Prasad Yadav and Sharad Pawar therefore are locked into railways and agriculture for the life of this government. The Congress ministers have no locks. Only Dr Manmohan Singh seems to be secure behind a lock and there too Mrs Sonia Gandhi has the key. This will also be the first shuffle in history where the Prime Minister will be consulted while the final decision is taken elsewhere. This is logical. The Prime Minister did not win the election, so his power is checked by a balance.

A shuffle is an image from a card game, and who can deny that Delhi is the democracy's most expensive casino? A deck of cards is a good

analogy for government and not only because so many governments are a house of cards. There is an ace of spades which is more equal than the other aces; there are kings, queens and jokers. And anyone below the level of a joker is obviously around only to fill the room.

Mrs Gandhi holds the pack with nimble fingers. There may be lapses on her part in understanding the nuances of the complete Indian poker game but she deals fluently within the Congress culture. The two criteria, either of which can

there is neither the reality nor the perception of a response from Delhi.

The Naxalite revolt is not another communal problem that will spurt and wither; it is a mighty fever that will turn India's body politic into a shivering mess if not medicated. It began when Jawaharlal Nehru was in power. It was controlled when Indira Gandhi was in power. It could turn into a plague of Chairman Mao's dreams when Sonia Gandhi is in power. Mao promised a prairie fire across India, and young men saluted his name and carried his

omy could wake up at the first sign of drought.

But the real problem with the Congress element of the Manmohan Singh government is not individual variance but a collective fault. The Congress is in power because it was elected, directly, to the Lok Sabha. It has a government that has been elected, indirectly, to the Rajya Sabha.

The Lok Sabha is represented by the allies. The Congress began with 17 Cabinet ministers. All the powerful

anywhere else. Mahavir Prasad, if you recognise his name, brings nothing from the Dalits although he is in the Cabinet because he is a Dalit. Sisram Ola is not, trust me, going to set Indian politics on fire.

Only three Congress Cabinet ministers lend genuine weight to the party at the electoral level: Shanker Sinh Vaghela, S. Jaipal Reddy and Kamal Nath. All are men who have fed from the grassroots, irrespective of where they may have come from. Vaghela and Reddy helped revive their party in their states and

Chikmagalur, Veerendra Patil into her Cabinet. He was more shocked than anyone else. But that sustained the Congress in his state, Karnataka, so she did it. Who among Sonia Gandhi's preferred aces can add a single vote to the party? Natwar Singh is an excellent individual, but Rajasthan is beyond his reach. We have discussed the value of Azad and Sayeed, the two prominent Muslims. That is only the beginning of the syndrome, hardly the end of it. This is not personal judgment. These are obvious facts.

Now consider this. It is common knowledge in Delhi that a shuffle is imminent, and lists of hopefuls are doing the rounds. No one knows what Mrs Gandhi is going to do, but we do hear the names of the hopefuls high on her alleged list. Which are the names at the Cabinet level? A.K. Antony, Satish Sharma, Motilal Vohra, Ambika Soni, Ahmed Patel. What do they have in common? You guessed it. They are all Rajya Sabha members. The same is true of candidates for minister of state. Being in the Rajya Sabha does not automatically make you irrelevant. Antony deserves a place in the system and Ambika Soni has done sterling work while guiding Sonia Gandhi through the political marsh. But if you consider the problem coolly, you have to conclude that whatever happens in this shuffle, it will be certain individuals who will gain and not the party. And if useless sycophants are rewarded rather than politicians of genuine capability then a state like Andhra could well plummet as Karnataka has done.

Is this because the Congress has no genuine leaders who connect with the voter? If that be true, then the party cannot be revived in the large areas of the country where it has become fallow. It is not obituary time yet for the Congress.

But. It came to power by accident. It should not lose power through complacency.

MJ Akbar is Chief Editor of the Asian Age.

BYLINE

A shuffle is an image from a card game, and who can deny that Delhi is the democracy's most expensive casino? A deck of cards is a good analogy for government and not only because so many governments are a house of cards. There is an ace of spades which is more equal than the other aces; there are kings, queens and jokers. Mrs Gandhi holds the pack with nimble fingers. There may be lapses on her part in understanding the nuances of the complete Indian poker game but she deals fluently within the Congress culture.

make a king into a joker and an ace impotent, are efficiency and loyalty. There used to be a third dimension, that of ideas, but ideas, like the fabled river Saraswati, have gone dry. The Ganga and Jamuna are efficiency and loyalty. For best results there must be confluence at Allahabad.

Since Dr Singh is safe, Mrs Gandhi has 51 cards to play with and 15 honours to juggle. After a year, some performance results are evident. The aces have not pulled their weight.

Decency is no substitute for leadership in the home ministry, and while sartorial elegance has its merits, the country expects something more than a daily fashion statement from home minister Shivraj Patil. Kashmir has been gradually eased out of his beat, and the Northeast has frozen into a septic swamp under his watch. A crisis across the country, the Naxalite revolt, has reached epidemic proportions. Andhra is linked to the arc under the Himalayas and

torch in universities and villages. That fire is now in full rage and the home minister seems out of his depth.

The foreign minister on the other hand seems curiously incapable of differentiating between shallows and deep waters: he gives equal time to both so that he has time for neither. This is curious because Natwar Singh should know his job. The foreign ministry has been his life. His time seems to be allotted according to travel schedules rather than concerns. It can be a fatal weakness.

The third ace, Pranab Mukherjee, is simply not interested in his job. There is little to do in defence except ironically defend the status quo and that does not need his talents. After having been finance minister in his 40s he expects to be Prime Minister in his 70s. Arjun Singh should have been an ace, but he is only a king and the kings are in flux. P. Chidambaram's budget was neither a dream nor a nightmare, merely a pleasant nap from which the econ-

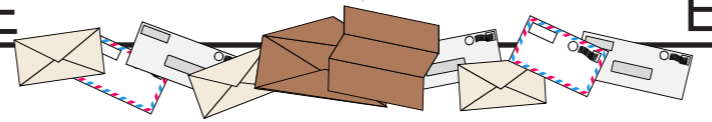
positions are either with Rajya Sabha members or with those who add no value to the party despite being in the Lok Sabha: the names of Dr Manmohan Singh, Shivraj Patil, Natwar Singh, Arjun Singh, H.R. Bhardwaj, P.M. Sayeed, Ghulam Nabi Azad come at once to mind. Chidambaram, Mani Shankar Aiyar and Meira Kumar have won because of fortuitous alliances and are therefore politically insecure.

Pranab Mukherjee entered the Lok Sabha for the first time, possibly with help from the Marxists. In any case he and Priya Ranjan Das Munshi represent a state where the Congress has just been relegated to third position in the election for mayor in Kolkata. Ghulam Nabi represents neither Kashmir nor Muslims and Sayeed neither tribals nor Muslims, which is why both prefer silence on issues of their community and cannot help the party get a single Muslim vote in UP and Bihar. Bhardwaj is a good minister but politically insignificant in Madhya Pradesh or indeed

deserve their place in power; Kamal Nath lost his state but will be part of the revival if it is to come. The Congress is in power because it won handsomely in four states: Andhra, Assam, Delhi and Haryana. If you look at the numbers, Andhra alone has more seats than the other three combined. In other words, there is a great deal of work to be done.

The task before Sonia Gandhi is so obvious that it hardly needs reiteration. She has to revive the electoral fortunes of her party through a proper management of power. She needs ministers who can deliver in both their portfolios and their states. A Nehru or an Indira Gandhi Cabinet always kept a little space for techno-competence, a Krishnamachari or a Kumaramangalam, but it was packed with leaders who were there not because either liked them but because they could deliver for the party. Indira Gandhi once put her worst enemy, a man who had contested on the Janata ticket against her in a crucial byelection from

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.

Faith and education

In our country very few schools have succeeded in incorporating complete religious education into our education system effectively. Integrating academic curriculum with our requirement of religious education is an integral part of our upbringing. And, as one of the primary platforms of religious value inculcation is our schools, it is paramount to include religious curriculum in the total education system of schools. As a Muslim, I feel that curriculum for both Qur'anic and Islamic Studies need to be included to provide our children with broader and enlightened perspective of Islam.

Accordingly, studies of other religions also need to be incorporated in our curriculum to provide our children with an idea of all the world religions. The following chapters may be incorporated: Basic principles of each religion, life story of respective Prophets, history of all the religions and basic substance of

the religious Books.

We need to create individuals with strong values and academic excellence; both are essential for healthy upbringing.

Akash
East Kazipara, Dhaka

Welcome 'TATA'

It is very heartening that "TATA", one of the biggest Indian entrepreneurs, has shown interest to set up industries and power plants in Bangladesh. It is of course a good thing for us. We can expect that if they are able to set up those plants in our country, our people will not only get jobs but also the other foreign countries will show interest to invest in this country. By removing bureaucratic hassles, strike and providing foreign investors with all the facilities, the government can play a vital role in attracting other foreign investors to set up industries in Bangla-

desh.
Syed Ashek Ahmed
EEE, Hamid Hall
RUET, Rajshahi

To Africa

In recent decades world leaders have been giving greater priority to the Middle East. From the Gulf War to Iraq invasion, the United States, Russia, Britain and others have played a vital role on the land of the Arabs. They are fighting wars, having debates, and trying to establish so-called freedom and democracy. But what about the place which really needs our help - Africa.

In Africa, people are struggling to get healthcare, food and education. They are living in extreme poverty and dying of starvation. There are around 12 million children living in Africa who have lost both parents because of AIDS. AIDS infects about 25 million people in Africa. There are millions of people who go to bed with hunger.
Corruption is a disease that Africa

has. Maybe because of this, African states are still considered the "least developed countries." The Africans are still fighting among themselves. In Congo, ten UN peacekeepers were killed in the past four months. All of them were Bangladeshis. Now, I believe, the blue helmets have no choice but to get tough with the rebels, the enemies of their own soil. The situation is desperate and the problems are enormous. The G-8 countries must help the African states. If there can be a Middle East peace process why can't there be an African peace plan. Are we ignoring them? Like they themselves, their land is also immensely beautiful. We must help them make their life more beautiful, more peaceful.
Tahsin Hyder
Dhanmondi, Dhaka

Petition for Birsrestha Matiur Rahman

You may be aware that a few USA based Bangladeshi patriots have started a massive signature campaign to support the initiative to bring back the remains of late Bir Shrestha Flight Lieutenant Matiur Rahman from Masroor Air Force Base in Pakistan. This great martyr was awarded the highest State Honour 'Bir Shrestha' in recognition of his patriotism and sacrifice in our Liberation War. We got freedom and a land of our own, but this brave fighter hasn't got the opportunity to enjoy the air of the free land. After the history-making crash of 'Bluebird' (code-name of that T-33 aircraft) near the Indian border, Matiur Rahman was buried in a graveyard reserved for fourth class employees, at Masroor Airbase. What a fate of a hero! We are deeply ashamed that 34 years have been passed and Matiur still could not reach his beloved Bangladesh. I request you to take initiatives to inform all Bangladeshis to take part in this campaign.
Kamrul Ahmed
Sydney, Australia

To be smart

Mr. Toufir Rahman's letter, published on 11th June drew my attention as it contained some valuable suggestions about smartness and the connectivity of pronunciation with it. Yes, I agree that writing and reading skills are very important to be smart. But when you face a person will you make the conversation with him by writing on a piece of paper? I agree with you that writings, which are full of errors and grammatical mistakes are really unbearable and we can never call them smart who produce wrong sentences marred with grammatical mistakes.
Shoab M. Siddiqui
Dhaka

Rape

Have you ever seen a newspaper without news of rape even for a single day? Unfortunately, I have not. Moreover, the number of this type of news is increasing alarm-

ingly. What's the cause of a rape? I think the main cause is mental disease. Porn magazines and movies cause this disease. Moreover, tendency of taking revenge on a woman encourages rape. Lack of morality in the youth is also one of the causes. In most of the cases the perpetrators are more powerful than the victims and our rotten society always supports the powerful. Most of the victims do not get justice. As a result, the criminals get inspiration.
Sadat Shahriar
Dept. of EEE, RUET

Next election

The next election is supposed to be held in January 2007. But the ruling alliance has already started all out preparation to win the election. I think they are actually desperate and it seems that they are suffering from lack of confidence. There are some obvious reasons

for the lack of confidence. The ruling alliance has already led the country to the championship race of the most corrupt countries. Almost everyday we find news about corruption of different ministers. Even the JS committees composed of ruling party members spoke about this. Regrettably, the government is not taking any step against corruption. The prices of essentials are rising everyday. At the same time the finance minister is boasting that the country is saturated with development. RAB is killing known criminals as well as political activists denying the individual's rights to justice. The ruling alliance is not thinking about the people. Instead it is busy in destroying the opposition. There is a strong rumour that the ruling party forced Ershad to divorce his wife. It seems that the ruling alliance is planning to blackmail opposition MPs to secure their support.
Jewel Ahmed
Basaba, Dhaka