

## Fuel price hike

Couldn't it have been handled better?

**G**IVEN the rise in the price of oil world-wide, it was inevitable that the government would have to raise the price of fuel here in Bangladesh before too long. We cannot fault the administration for raising fuel prices, but the manner in which the price hike was accomplished has certainly raised questions.

In the first place, there is no doubt that the hike will have a negative impact on the economy, and that certain segments of society, such as small-hold farmers and poor urban consumers, will be hit disproportionately hard. However, whether the government has made any arrangements to alleviate the coming hardships through targeted subsidies or otherwise remains an open question. Indeed, we do not see any evidence that the government has taken any steps that would help to minimise the resultant economic fall-out.

It must be added here that the decision was taken without apparent consultation with the relevant stakeholders, such as the business and farming communities. There was not even any debate in parliament on the issue, which is the most shocking lapse. As a result, the decision was hurriedly approved on Saturday and came into effect the next day.

Such a secretive and abrupt decision-making process is not the best way to go about things, and hardly inspires confidence. Although speculation, informed or otherwise, was rife, the government gave mixed signals right until the end as to its intentions. A better approach would surely have been to hold an open debate on the issue, which would at least have had the virtue of better preparing the public for what was coming, and then perhaps to have introduced the increases in a phased manner.

The country deserved to be included in the discourse. Subjects such as diesel and kerosene subsidies, possible austerity measures, and lowering excise duty on fuel so that less of the burden would fall on individual consumers, could fruitfully have been debated.

It is possible that the government debated such possibilities behind closed doors. But keeping the public out of the loop and springing the fuel price increase on the country in such a sudden manner has done nothing to minimise the difficulty that this decision will cause.

## Habit dies hard

Errant demand on project vehicle

**T**HE director of a project for Secondary Education Quality Improvement, one that is financed by the Asian Development Bank (ADB), was, it is learnt, admonished by education secretary on Sunday after he had failed to provide a vehicle for state minister for education. It is appalling that the project director had to face the ordeal in spite of his having informed the secretary in writing that a clear ADB directive governing the use of project vehicle forbade it. Moreover, there was an audit objection pertaining to use of a project vehicle placed under the ministry before this request was made.

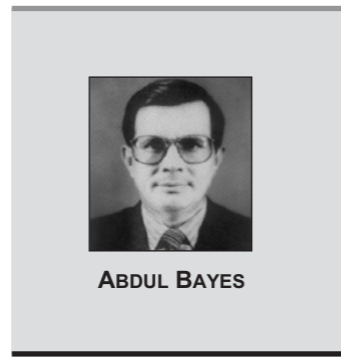
The incident has to be taken note of, for obvious reasons. In the none-too-distant past, a huge number of project vehicles were found 'missing' and that made sensational news. The unaccounted-for vehicles were indicative of how government functionaries were using, misusing to be precise, project vehicles. These were purchased with project money coming from donor agencies; and in some cases, highly expensive vehicles were purchased for no apparent good reason except perhaps to keep top functionaries in good humour. They got into the habit of using them as something of a prerogative.

What all these meant were waste of project money at the expense of public good and development partners' goodwill. It definitely impinged on financial discipline.

We are talking of a bigger principle here, one that can only be trifled with, to the detriment of the development process. The government, hopefully, is seized of the issue, and the rules of transport use will have to be given teeth and applied strictly in public interest.

The stir that the 'missing vehicles' created should not be allowed to die down. The government has to address the problem in right earnest and stop any abuse of project vehicles by top functionaries, including ministers, once and for all.

# Taking market and community together



ABDUL BAYES

**T**HE 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 the destitution and misery of people.

On the other side of the fence is, however, philosophers like Montesquieu who treated traditional customs of communities as oppressors of human mind 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.

Researchers engaged in institutional economics researches, in recent empirical evidences, tend to suggest the possibility of a happy coalition between the two arch

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

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

eval Europe and Chinese traders in modern Southeast Asia. They were able to establish dominant positions in commercial and financial activities, as they were successful in reducing transaction costs across distant trading posts among the traders and bankers bound by the ethnic community ties". *Enpassant*, in the context of Bangladesh, one could notice contract farming, and vegetable exports to ethnic markets based on long term

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 their 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**

**"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.**

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, 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

community 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 goods", 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 during the Zamindari system in Bengal, people heard of such help from the top and for the bottom. Second, the conservation of common pool or common property

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 psychological 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.

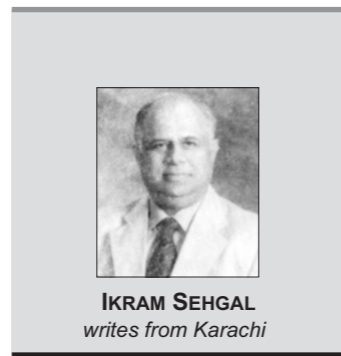
"The strength of such a community relationship to support market transactions has been demonstrated by the success in trade and finance of Jewish traders in medi-

links and common ties.

"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 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".

Thus, we find communities and

# Separating fact from fiction



IKRAM SEHGAL  
writes from Karachi

**A**S individuals we need to face up to the truth. One of the great contradictions of life is how knowing the truth we pretend it to be otherwise. Sooner or later this failure to recognise facts as they are creates problems of some magnitude. Regrettably, even academics of good knowledge and standing tend to have their judgment coloured by emotions on major issues. How can we then blame the masses for being blind to the obvious? We have a collective propensity as a nation to follow individual inclinations to look a fact in the eye and then blithely deny its existence. In the present world environment where we are held culpable for our words and deeds, particularly after 9/11, this can have dangerous consequences.

Most Pakistanis were (and are) sympathetic to the Taliban. While the Taliban were not terrorists, the "guests" they harboured in the form of Al-Qaeda certainly were (and are). And Osama Bin Laden (OBL) was no ordinary guest, he built up a rogue State within a State on the goodwill of the Taliban leader, Mullah Omar, and was engaged in

world-wide terrorism. Even those senior Taliban leaders who opposed the presence of OBL in Afghanistan could not show their guest the door because of culture and tradition. When the Taliban refused to hand him over, or evict him at the very least, they became accessories to OBL's terrorism by association. Our sympathy for the Taliban should have been tempered by that knowledge. How many of us were (or are) willing to change our society into that resem-

bling the Taliban's in Afghanistan? More importantly, can we accept murder and mayhem as preached and practiced by Al-Qaeda to become the guiding philosophy of our society? And what about those poor misguided Pakistanis who rushed to Afghanistan for "Jihad" at the behest and exhortation of their religious leaders and being left to hold the fort when the Taliban melted into the darkness at the approach of the Northern Alliance were taken into captivity? The Taliban commander in Kunduz one-legged Mullah Dadullah bartered the freedom of Pakistani volunteers against that of his Afghans in a deal with Rashid Dostum, who promptly buried alive thousands of Pakistanis in containers in Shebergan, many suffocating to death during

the month of Ramzan! How many of them were relatives of the religious leaders who sent them to their fate? While we are the champions of all "Islamic" causes, great and small, how many champion our causes? Who really helped us in 1965 and 1971 other than China, the Chinese support to us always being unstinting and not stemming from any "Islamic togetherness"? And how did we repay them, by supporting the revolt among the

evicted from their ancestral lands by the Israelis one can say that this was for good reason, but let's not kid ourselves with the fiction that the Israelis were the aggressors in all these wars. Israelis thus had a reasonable excuse to acquire territory by the force of arms. Those who do so seldom give the lands they occupy back, yet most of the real estate occupied by the Israelis has been handed back to the Egyptians, Jordanians, Syrians and Palestinians.

Mazen" that negotiations are the way to peace? When we can separate this fact from fiction, we shall have our answer.

There is a very strong feeling in Pakistan against recognising Israel, it is such an emotional issue that those who support having diplomatic relations are loath to mention it publicly for fear of not only being ostracised but even attacked by extremists. Arab countries like Egypt, Morocco and Qatar already recognise Israel, so does

ened moderation" will face a not-too-friendly an audience (to Islam and Pakistan in that order), is by itself a great success by itself. Pakistan's moderate image is not recognised by the world, only the radical, fanatical elements have their say in world media coverage. The Jewish Congress must be commended for having the courage for giving Pervez Musharraf this singular honour, it is a great tribute to their sagacity. To invite a major Muslim leader, and that also from Pakistan, a country that does not recognise Israel, must not have been easy. On his part Pervez Musharraf has to fulfil this responsibility with maturity and sincerity of purpose. His recurring theme has been that ignorance, poverty and bigotry are common enemies of all the peoples in this world, who have faced more hardship over the centuries on this count than Muslims and Jews?

While the President can hardly recognize Israel without due diplomatic process, by being invited and accepting the invitation thereof he has already kicked off the process that will lead to this eventuality. Pakistan and Israel are the only two countries in the world created solely on the basis of religious ideology, it is in the interest of both Muslims and Jews that inter-faith dialogue being initiated must reach its natural conclusion, sooner rather than later.

Ikram Sehgal, a former Major of Pakistan Army, is a political analyst and columnist.

**AS I SEE IT**

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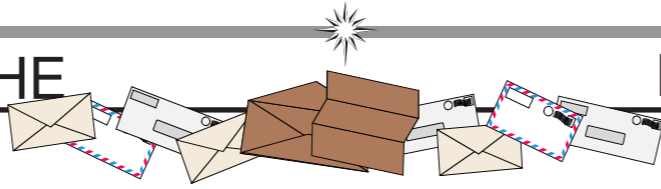
Uighurs of Sinkiang province? Saudi Arabia and the UAE have been extremely generous, and while in 1965 Indonesia went to the extent of sending four submarines, Turkey and to some extent Iran, were of material help as well as being conduits for vital defence shipments. While one does sympathise with the plight of the Palestinians, their present predicament could have been avoided if their leadership had exercised greater maturity. Except for the 1967 war which started with a pre-emptive strike by the Israelis after the Egyptians had moved most of their army into the Sinai into offensive posture and Syria had massed its armour on the Golan Heights, all three wars (1948, 1956 and 1973) were started by the Arabs. Given that the Palestinians had been

The settlements in the West Bank and Gaza, though illegal, had a permanency that was (and is) unacceptable to the rest of the world. The fact that Sharon bit the bullet to withdraw from Gaza and four West Bank settlements is therefore a significant milestone, the anguish of the Israeli soldiers in evicting the settlers from their houses was on primetime media display for everyone to see, a clear marker that Israel was serious in searching for peace. While Hamas may claim credit for having given the Israelis pain and discomfort, it has been at great human cost to the Palestinians. They were a long way from forcing the Israelis out. Should we believe Hamas that the gun is the only solution or should we believe the Palestine President Mahmood Abbas alias "Abu

Turkey, which also has a well developed military cooperation especially in defence production. And what about the Palestinians themselves, the Palestinian leadership regularly meets with Israelis on any number of issues that is de facto recognition. Both condemn "suicide bombing" as a terrorist act. Would we condone bombing of our mosques, public places, vehicles, etc, given that not only that suicide is considered anathema in Islam but most bombings' victims are innocents, mostly women and children?

President Pervez Musharraf has been invited by the Council of World Jewish Congress to address them in New York this month. This is one of the most important developments for the country, the President's "enlight-

# 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.

## Ministers' medical treatment

This refers to a news report published in most of our national dailies recently on the above subject.

Our health minister always says, praises and justifies availability of international standard of medical treatment, services and facilities in our country and advises our people to refrain from going abroad for medical treatment and check-up and stop wasting our foreign currency. But unfortunately he fails to stop his own colleagues, ministers from doing so.

Our ministers, MPs, political leaders of both the ruling and opposition parties and high government officials, almost all of them, go abroad for medical treatment spending millions of taka. We wonder what are their sources of income.

What a contrast! Our ministers, MPs, political leaders and high govt. officials can afford going abroad for their medical treatment! But our

poor patients in the country do not have the capacity even to pay the doctor's consultation fee and to purchase medicine for their treatment.

Who will take care of our poor people and patients for their health care and medical treatment if not our ministers, MPs, political leaders of both the ruling and opposition parties? Charity begins at home.  
**OH Kabir**  
Dhaka-1203

## Free thinking

I wrote a piece "Role of Intellectuals" in DS last year (12/10/04), where I mentioned the role of Rousseau in the making of French Revolution and so on. Now, I want to express my opinion on the importance of free thinking. Many writers and poets have written on the topic. The fact is that there're two types of people in our society. One follows the commands, and the other follows self-inspiration, i.e. thinks freely. I support the latter. For every innovation, thinking in a free way is

obligatory. Those who feel a bit in the core of their hearts for creation/innovation realise that human beings are not an inanimate object; rather soul is above the flesh and blood.

But free thinking in our context is greatly inhibited by a host of factors.

**Engr. Mohammad Ariful Islam**  
Ramdebpur, Tangail

## Childhood education

I have some observations to share with you on some of the aspects of your schools and schooling in general and some specific opinions as a specialist in early childhood development and education. I would like to draw your attention to the following observations.

1. In some of your schools, very young children's school, the dress includes white shirt or tops. White is a colour that is difficult to keep clean and it is true about the parents as well. In Dhaka the crowded roads with dusts, black or blue smokes released by vehicles,

heavy rains and splashes made by transports plying on roads flooded with rain water, playing, running and falling as part of children's lives make these dresses stained and dirty very easily. I wonder in this humid weather, why can't you think of clothes of different colours, which are light and comfortable for children to wear as school shirts/tops.

2. Please include some socialisation activities in early years because by the age 5/6 the foundation of socialisation is built. Examples are: sharing with other peers (seats, toys, games, even books, CDs, colours, should be encouraged to be exchanged among peers), the next important thing is taking turn every day by turn each child may lead the class line in assembly, in group activities/games, the group leader would be all children one by one etc. There are always two types of children grabbers, and those shy ones. The class teacher best knows who are the children who want to grab things first, pushing others aside. Plan for

them activities diplomatically so that they are bound to take things after others.

3. Language is better learned at the age 4-6. What I am suggesting is based on my experience. English medium children are facing learning problem with mother tongue. As soon as they learn reading, writing and speaking in English, they lose interest in learning Bangla, but they want mothers to read out stories from Bangla books for them. They do not like to take the pains of learning their mother tongue. This is reality.

I think my suggestions would serve the best interests of children who are future leaders of our country along with their peers from Bangla medium schools.  
**Momtaz Jahan**  
Former Consultant, Unicef

## BSF atrocities

The Daily Star reported on 20 August 2005 that Indian BSF soldiers shot dead a Bangladeshi farmer named Basiruddin on his

farmland, 800m inside the border. Such acts of brutality by the BSF are nothing new. Odhikar, a human rights organisation, has reported that 328 Bangladesh civilians have been killed by the BSF in the last five years.

We are allowing Indians to make a lot of money selling their goods in Bangladesh, and they are repaying us by shooting Bangladeshi farmers! The government of Bangladesh should threaten to ban import of goods from India unless the BSF stops killing Bangladeshi civilians and agrees to pay compensation to the families of the hundreds of Bangladeshis who have been killed by them over the years.  
**OA Khan**  
Uttara, Dhaka

## CNG scooters

Meter is not used in CNG scooters in Chittagong city. As a result, people are suffering.

Scooters owners and drivers don't want to install meter. They

called a strike to protest the government order. City Mayor ABM Mohiuddin Chowdhury also supported them. So at present they run scooters without meter. But the government has not taken any steps against them.

We hope the government will take proper steps to solve this problem as early as possible.  
**Shahnewaz Khan**  
Chittagong University

## Price of newspapers

I am pleasantly surprised to see that an eight page Bangla daily costing Tk 2/- has hit the news stand. Previously, two other newspapers came out having the price of Tk 5/- and Tk 6/-, which is lower than the price of established Dhaka newspapers. This is a sign that the element of competition has entered the newspaper industry. We welcome this development.  
**Ahmed Shah**  
On e-mail

## Hartal

The bombing incidents across the country on 17/8/05 signify a national crisis felt globally. In the wake of this crisis, we should stand united setting aside any party affiliation. I fail to understand the meaning of the call for hartal by the main opposition party in this regard. If it is not wrong for me to compare the crisis in question with that of 7/7 London bombing, I discover that there is broad consensus in the UK to tackle the situation regardless of difference of opinion which is normal in a democratic atmosphere.

Instead of going deeper into the issue my question is--what benefit the hartal will yield for the nation? I am not supporting terrorism of any kind, peace is my main concern. President Ershad once told that if there is depression in the Bay of Bengal the opposition will blame the government for that. His observation seems relevant in today's context.  
**Thomas Gomes Bhura**  
Tejgaon, Dhaka