

Cost of launching business

Our distinct advantages undercut by corruption

ANYBODY seriously interested in business or enterprise would do a cost-benefit analysis before taking the plunge. In the investment world, you look before you leap. The analysis would include start-up costing as a major aspect of the calculus. Simultaneously, a long look will be taken at the costs of running and sustaining a project or an enterprise vis-a-vis the dividends to accrue from it and, in the case of foreign investment, the terms of protection and repatriation of profits offered.

The fact remains, though that if the cost of starting an enterprise is inhibitory, the idea itself could run out of steam.

That said, we turn to the essence of what a global business survey conducted by the World Bank and International Finance Corporation has revealed about Bangladesh being the costliest in South Asia in terms of starting a business. Bangladesh needn't have been so costly given her distinct advantages over some neighbouring South Asian countries in certain other parameters for decision-making. Our procedures have been whittled down to eight in number compared with 11 in Pakistan, India and Bhutan. Consequently, the number of days required in Bangladesh to herald business is 35 in contrast to 71 in India and 50 in Sri Lanka, only Pakistan having an edge over Bangladesh.

In spite of these positive features which ought to have incentivised business in Bangladesh, investments both domestic and FDI, are yet to pick up to our potential.

The improvement made in terms of reduction in the number of steps to okay business proposals in Bangladesh is neutralised by our failure to contain corruption, rent-seeking and what-is-there-in-it-for-me self-serving attitude on the part of functionaries. This is patently ironical, because we have brought down the number of procedures which should have actually reduced the level of corruption that is known to thrive on cumbersome formalities.

Practically, we have made a farce of the Anti-Corruption Commission (ACC) we would have liked to rely on for reducing corruption that extracts a high premium from business. The costs of business insecurity and political restiveness also weigh negatively on investment prospects, let alone serious deficiencies in the infrastructure. It is the whole package that must be attractive, otherwise we shall be losing out on business and investment that are potentially on offer.

Minister, secretary tiff

Not a good example of partnership

WHILE we believe that the matter of government hospital fees should be addressed in due course of time, the point at issue today is the manner in which the whole episode of increasing hospital charges and then cancelling the same shortly afterwards, that has raised questions in the public mind about the way our ministries function, apart from it being an unmitigated embarrassment for the government.

This, unfortunately, is symptomatic of the lack of coordination and communication between top functionaries of our ministries. Otherwise, how does one explain the dramatic confrontation between the Minister of Health and an ex secretary of the ministry? And all these revolve around the minister's claim of ignorance of everything related to the process of decision-making and issuing of the government circular regarding raising of hospital charges.

Several questions arise from this episode. First, did the minister actually have no idea that a policy change was being formulated in his ministry in a process that was spread over more than a year and which involved other ministries also? Second, is he merely feigning ignorance? Even then it must be understood that ignorance of the activities of those under one's charge is unacceptable. Third, perhaps the minister is blaming it on his former secretary, out of political consideration. Fourth, that there is a genuine miscommunication between the minister and his chief executive officer. Fifth, why is it that it was from press reports that the minister came to know of the order when a copy of the same was endorsed to his office also?

We have to stretch our sense of credulity to the extreme to believe that the minister was completely in the dark about the matter; that the secretary's claims that all the meetings and decisions were within the knowledge of the minister is in fact not true. One wonders what could have been the secretary's motivation in taking such a decision, including seeking the approval of the finance ministry behind his minister's back?

This is indeed a good example of how a ministry should not function. Perhaps conforming to rules of business would avoid such embarrassment for the government in future.

Embarking upon the largest ever VGF programme

Why in a non-disaster year?

M ABDUL LATIF MONDAL

THE Daily Star of August 29 carried a front-page story, which revealed that the government has decided to embark upon the largest ever three-month long vulnerable group feeding (VGF) programme from September 20, covering 4.5 million beneficiaries across the country. This has given rise to certain questions. First, why did the government go for such a big VGF programme coverage throughout the country in a non-disaster year? Second, why, instead of undertaking work-based food distribution programme(s), is the government going to encourage a relief programme like VGF?

The VGF is one of the programmes of the public food distribution system (PFDS). The function of the PFDS is to provide a first line of defence in the event of a food emergency. There are groups of people in the rural areas who are normally self-sufficient, but in times of food shortages resulting from poor harvests or damage to their on-farm stocks because of drought, flood or any other natural disaster, they do not have the resources necessary for purchasing their required food needs from the market. For these groups, releasing grain into the market does not resolve their plight, as due to lack of purchasing power they are unable to gain access to it. Under these circumstances, programmes such as food for work, VGF, test relief (TR), and gratuitous relief (GR), are required to provide food supplements for these people.

The areas which come within the ambit of the VGF programme include: (a) the areas which are

vulnerable to disasters like flood and river erosion, (b) the areas which suffer from any other sudden natural disaster, and (c) the areas which have large-scale seasonal unemployment of labourers due to little non-farming activities.

According to a food and disaster management ministry source, a beneficiary of VGF programme gets 10 kilogram of rice for himself/herself and his/her family per month. For being enlisted as a beneficiary, he/she has to satisfy either of the two basic conditions.

the prime period for flood, the chances of major flooding are over. Many people have thus come to ask as to why the government has decided to go for the largest ever VGF programme coverage for distributing 1,50,000 tonnes of rice among 4.5 million beneficiaries, covering 1,000 in each of over 4,500 unions throughout the country. It has been pointed out that the upcoming VGF programme coverage will surpass the previous record-high VGF coverage of 4 million beneficiaries.

which is perhaps raring to influence the enlisting of VGF beneficiaries. Since the country is not in the grip of a major disaster, or an economic emergency, the government decision could be interpreted as an overdose of intervention in the market."

Let me now address the second question. VGF is purely a relief programme. In a disaster-free year, the beneficiaries of the VGF programme should be limited to the ultra-poor who do not have stable source of income. The government

areas and at the same time to ensure the supply and availability of adequate foodgrains in the areas where there was acute shortage of food. The idea was to pay wages to the workers in kind. The programme activities include, *inter alia*, road rehabilitation/ construction, digging of ponds and canals and construction of raised land platforms (flood shelter). The proper utilisation of the resources of this programme for the designated work, in particular for excavating the dead and/or dying

during the rainy season. In the rural areas, water-hyacinth damages crops also. The programme may be implemented on food/cash for work basis. It may be mentioned that work-based food distribution programmes reduce to the maximum extent the chances of favour distribution.

Furthermore, the government may put its VGF programme input to strengthen the operation of the vulnerable groups development (VGD) programme, which is basically a donor-supported programme. The VGD-programme beneficiaries, constituting mainly women from landless households and women with irregular or no individual income, are given training in different activities to generate self-employment opportunities and make themselves self-reliant.

To conclude, taking into view that the current year is a non-disaster year, the government may wish to revise the size of the VGF programme. The programme should be primarily operated in the previously designated vulnerable areas. The beneficiaries should be selected without partisan consideration. Only the deserving persons should be enlisted as beneficiaries. The local administration must ensure it. In order to bring more poor people under the food-safety-net, the government should go for more work-based food distribution programmes.

M. Abdul Latif Mondal is a former Secretary to government.

Taking into view that the current year is a non-disaster year, the government may wish to revise the size of the VGF programme. The programme should be primarily operated in the previously designated vulnerable areas. The beneficiaries should be selected without partisan consideration. Only the deserving persons should be enlisted as beneficiaries. The local administration must ensure it.

One, he/she should not have stable source of income. The ultra poor of the society fall into this category. Second, as a result of any natural disaster, he/she has been affected and dislocated.

The programme has been in operation for years in the following places: (1) Northern districts of the country namely Lalmonirhat, Kurigram, Gaibandha and part of Rangpur; (2) Jamalpur, Sherpur and part of Mymensingh; (3) Haor areas namely Sunamganj, Habiganj and Netrokona; and (4) Coastal areas such as Noakhali and Bhola.

Let me come back to the questions that have been raised. The year 2005 has so far been a non-disaster year. Experts have recently predicted that as the country has already passed the months of June, July and August,

implemented after the devastating 1998 deluge. The government may argue that the intervention in the market through the programme will help stabilise the rice price. But many people feel that the programme has been designed to serve more the political interest of the ruling alliance than to stabilise the price of rice.

The government motive for implementing the largest ever VGF programme in a non-disaster year across the country is to draw the sympathy and support of the VGF beneficiaries in the next general election which is knocking at the door. The Daily Star in its editorial of August 30 writes: "But that which the government is trying to head off might creep in if the VGF programme, on a scale that is being envisaged, is not steered clear of any partisan consideration,

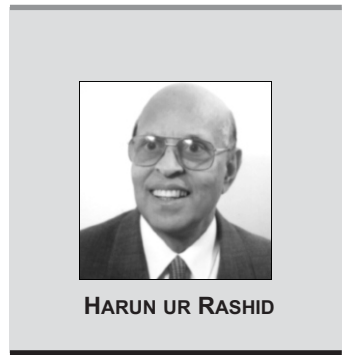
may embark upon some work-based food distribution programme throughout the country. For instance, the government may consider advancing operation of the food for work programme (FFW) from the middle of October when the *kartik munga* starts. Munga, a near-famine situation, is a regular feature in the months of October and November in the northern districts mentioned earlier primarily due to seasonal unemployment of labourers. The seasonal unemployment of labourers results from restricted non-farming activities and lack of opportunities for engaging in self-employment during these months.

FFW, a very important channel of public food distribution system (PFDS), was introduced in 1974 with the immediate objectives to create job opportunities in rural

rivulets, canals, ponds, haors, and beels, will save the rural areas from flooding, help water transportation during the rainy season and make water available for irrigation during the dry season. More importantly, this provides the able bodied poor persons an opportunity to earn their livelihood through work that instils in them a sense of self-respect.

Further, the government may actively consider introducing environment friendly work-based food distribution channels for the months of August and September. These programmes may include removing water-hyacinth from ponds, tanks, beels, etc in the rural areas, towns and cities, and any other programme that is environment friendly. The water bodies full of water-hyacinth become breeding grounds for mosquitoes

Pakistan's overtures to Israel: Why?



HARUN UR RASHID

ON September 1, the Foreign Ministers of Pakistan and Israel met publicly (in Turkey) for the first time, a diplomatic breakthrough, brokered by Turkey. It was the first high-level meeting between the two countries, although diplomats say Israel and Pakistan have been conducting secret informal dialogue for sometime.

Israeli Foreign Minister Silvan Shalom, called the Istanbul meeting "historic" and said: "We think it will be a very positive signal to Israeli public opinion." The Pakistani Foreign Minister, Khurshid Mahmud Kasuri, said Pakistan had decided "to engage" Israel and called the meeting "a gesture to underscore the importance, we, in Pakistan, attach to Israel ending its occupation in the Gaza."

Whatever may be the diplomatic jargon, it is a certainly a strategic move by Pakistan, the second largest Muslim majority country after Indonesia, and the only Muslim country with nuclear power.

It is reported in the state-run TV in Pakistan, quoting President Musharraf, that he had first sought the counsel of Saudi Arabia and of the Palestinian Chairman, Mahmoud Abbas. Pakistan's military leader confirmed that he would send a delegation to visit Gaza and Jerusalem: "General Musharraf said: "We will not talk about recognition of Israel until a Palestinian state is established and then we will think

this gesture?"

There are several reasons and some of them deserve mention. First, in South Asia, Israel has maintained diplomatic relations with India and Nepal.

The Pakistani President has always been a pragmatic leader. He has seen the contours of global politics gradually reshaping in such a way that Pakistan cannot sit idle. India and China have

reciprocal rhapsody: "India and China can together reshape the world order."

Reportedly, the Chinese Prime Minister counseled Pakistan that dispute should not deter in fostering relations with other countries. It seems that President Musharraf has heeded to this advice to "engage" Israel.

In the statements, both leaders have elevated their relationship to a new level, both in strategic and commercial areas.

China is no more interested in the issue of self-determination of Kashmiris because it has its own problems with Uighur Muslims in its province Xinjiang, close to Kyrgyzstan. China believes that support for Kashmiris will encourage Uighur Muslim rebels to become bolder and more active in their goal of secession from China.

Fourth, many leaders in the US are not comfortable with the strong relationship with Pakistan

such as Egypt, Jordan, Turkey, and Mauritania. Their diplomatic relations with Israel do not harm relations with other Muslim nations, rather those countries have achieved a strategic edge over other Muslim countries in international relations.

Conclusion

All these reasons may have contributed to the Pakistani leader's decision to cultivate Israel, with the hope that Pakistan keeps the most important US ally in the Middle East, from moving deeply into the India's embrace strategically. At least Israel will now consider Pakistan's interests before moving too closely with India.

President Musharraf has taken an unprecedented step in "engaging" Israel. Furthermore he has agreed to address the American Jewish Congress in New York on September 17. Both these deliberate moves are likely to strengthen Pakistan's role in global politics in an era of unprecedented volatility.

The meeting with "joint photos and a joint press conference" between the Pakistani and Israeli Foreign Ministers has been a calculated strategic move for Pakistan at a time when it thinks that its influence in the region is on the decline.

Barrister Harun ur Rashid is a former Bangladesh Ambassador to the UN, Geneva.

BOTTOM LINE

President Musharraf has taken an unprecedented step in "engaging" Israel. Furthermore he has agreed to address the American Jewish Congress in New York on September 17. Both these deliberate moves are likely to strengthen Pakistan's role in global politics in an era of unprecedented volatility. The meeting with "joint photos and a joint press conference" between the Pakistani and Israeli Foreign Ministers has been a calculated strategic move for Pakistan at a time when it thinks that its influence in the region is on the decline.

about it."

The move is expected to be welcomed in Washington, where Pakistan represents a crucial ally in the campaign against terrorism. It is music to the ears of the Bush administration.

However in Pakistan, the main Islamic opposition party, Jamaat-e-Islami, and the coalition party of hardline Muslim clerics, Mutahida Majlis-e-Amal, denounced the meeting. They said they would bring protests on the streets next Friday.

Why did Pakistan make

developed good relations, and the visit of the Chinese Prime Minister in April to India led a series of agreements (11 agreements) that covered many areas of cooperation, such as trade, joint petroleum, gas, and space exploration.

The Chinese Prime Minister declared the visit as a "historic" moment when two powers agreed on principles for settling the border dispute. He reportedly said that "the flower of India-China has bloomed again today." India's Prime Minister Dr. Manmohan Singh, in return, offered a

Second, Pakistan has closely watched with concern that India has been receiving military assistance from Israel, and the visit of India's Prime Minister to Washington in July has allowed Israel to sell sensitive and stare of the art US weapons to India. Furthermore, an axis, US-Israel and India, has taken shape in which India in 2004 reportedly bought weapons worth \$5.7 billion, according to US Congressional Research Service on Conventional Arms Transfers to Developing Nations.

Third, Pakistan realises that

because of absence of genuine democracy in the country. Many even suspect whether Pakistan is a close ally with the US in combating terrorism.

Furthermore, Afghanistan's relations with Pakistan stand at the lowest point because Afghanistan suspects that some elements in the Pakistan military still support the Taliban militants in east and south Afghanistan. Given the circumstances, Israel may act as a conduit to influence the US in Pakistan's favour.

Finally, Israel has diplomatic relations with Muslim countries,

OPINION

When perpetrators declare their identity

A R SHAMSUL ISLAM

AT last on September 8, after a lapse of 21 days following the countrywide amazingly synchronised near 500 bomb blasts in 63 districts of Bangladesh on August 17, the Prime Minister gave a kind of speech in the national assembly on the incident that greatly disappointed the nation.

In fact, the people expected to hear from her much earlier in a positive voice. Truly, the national dailies had hinted more than once about the probability of her addressing the nation well before.

Incidentally when grenade blasts occurred in London, the prime minister of Britain, Tony Blair kept attending members of G-8 seated at the parley table and flew to London to address the nation. Further, he obviously conferred with the opposition leader on the issue.

Our prime minister reiterated that she learnt about the bomb blasts on her flight to China. She said she did not return home immediately to deny the perpetrators of the blasts a victory.

Of course the difference is

between the sense of urgency and that of strategy.

The Prime Minister said the bomb operators were trying to hide themselves under the veil of religion. They will be identified in definitive form and apprehended one by one. She said, "We shall have to do everything keeping in mind the constraints of our resources. We cannot afford to have CCTVs."

The prime minister emphasised that Bangladesh is known as a Muslim-majority liberal democracy. The perpetrators try to tarnish that image and portray it as a country afflicted with religious extremism.

Begum Khaleda Zia tried to boost the morale of the people by lightening the impact of the blasts of 8/17, saying that bomb blasts are nothing new in the world, it is a day-to-day phenomenon of the globe, that August 17 blasts have not caused much destruction either in men or in property, and that the CIA and FBI on billion dollar budget could not avert 9/11 and that Britain's million pound sanction on intelligence agencies failed to ward off the recent London blasts.

The US and other western powers are of the belief that the escalating terrorism in Bangladesh is nothing other than religious terrorism. They have their own diplomatic dynamics on how far to let a country indulge in Islamic terrorism before giving it a final tilt. Bangladesh may have reached close to that point. Alas, this poor country is faced with danger from within by the Islamist militants and from without by the US and her partners on terror!

Unfortunately government functionaries' versions of the 8/17 blast have changed from one stance to another. The State Minister for Home at first named Jamaatul Mujahideen Bangladesh (JMB) as the perpetrators of the bomb incidents. But thereafter he linked up the JMB with a socialist-like outfit named the Janayudhya in the blasts. On the other hand, the Industries Minister raised his accusing finger at India and Israel. What caused more flutter in a matter was the BNP's Sr Joint Secretary-General Tareq Rahman's interview with the BBC in which he admitted that the al-Qaeda may be involved with the bomb blasts of 8/17 (however he later refuted this report, claiming that his statement was not properly reflected).

Everyone hoped that the Prime Minister would clear up the smoke created by the divergent statements given by her ministers and political aide. But her speech made the confusion more confounded.

In fact the Prime Minister's speech was in line with her earlier statements of denial. Back in the month of July 2003, standing on the floor of the parliament, she stated that no al-Qaeda men existed in Bangladesh. Again, the same year in September she declared, in a conference of the *Ulemas*, there lived no fundamentalists in this country. She continued that it was only the propaganda and conspiracy of the opposition parties, mainly the Awami League, supported by the media, to tarnish the image of the country abroad.

The newspapers running volumes of stories on the confessions of scores of suspects of the 8/17 blasts arrested by the police, DB, Rab, etc with cartloads of bombs, explosives, time devices, leaflets, literature, books, manuals, diaries, throughout the length and breadth of the country have unequivocally vouched that the religious militants are the operators and masterminds behind the blasts of August 17.

Coincidentally, the very day the Prime Minister delivered her speech in parliament, the detective branch of the Rab on a tip-off arrested Ataur Rahman, brother of the JMB chief Abdur Rahman, by raiding his rented house at Goran, Dhaka city, and seized huge quantities of bombs, explosives, literature,

papers, and charts. It is learnt they have unearthed a conspiracy of the religious militants to make a second offensive in the capital Dhaka in the coming days. The militants have already built up about 50 outfits in the capital alone.

It is unique in itself that the bomb perpetrators of 8/17 had no intent to conceal their identity. They have as well made it clear their object to establish *sharia* law to rule the country. They seem to have intentionally left leaflets at the places of blast in 63 districts on that fatal day to make the public aware of their identities as religious militants committed to replacing the law of the land by *sharia* law. Many of the suspects rounded up by the law enforcing agencies following 8/17 have confessed their involvement in

the incident and admitted to their belonging to the banned JMB cadres.

The question that agitates the mind of the people is that why the Prime Minister, despite the above documentary proofs and confessional statements, labours to hide the identity of the perpetrators of bomb blasts of 8/17?

The ruling BNP has painstakingly worked out a sum to clinch the coming national polls in alliance with the Islamic parties. Though it has, by now, felt that the vote equation is not working that well, but it has neither the courage nor the wisdom to part from the unholy alliance with the religious parties in the greater interest of the country and nation. On the other hand, the allied Islamic parties have played masterfully on these sensitivities of the BNP. The ultimate consequence is that the top BNP leadership is frantically trying to hoodwink the nation by a lullaby without being aware that Bangladesh is now practically sleeping on a volcano.

Worryingly, our governments care little for the people and enjoy

giving them bluffs. But the same governments are pathetically docile to the US and other donor countries. Our governments as well sometimes try to mislead those countries by shameless blandishments, only to expose their naivety. This is an era of "war on terror" as envisioned by President Bush. Unfortunately, by and large, terrorism is, in practice, treated to be identified with Islamic terrorism by the western powers.

The US and other western powers are of the belief that the escalating terrorism in Bangladesh is nothing other than religious terrorism. They have their own diplomatic dynamics on how far to let a country indulge in Islamic terrorism before giving it a final tilt. Bangladesh may have reached close to that point. Alas, this poor country is faced with danger from within by the Islamist militants and from without by the US and her partners on terror! May God save Bangladesh.

A R Shamsul Islam is Retd Principal, Govt Mohila College, Pabna.