

Unabated price spiral: Commerce minister's U-turn

The terms of trade fell from 94.39 in 2000-01 to 78.04 in 2004-05. The Taka-Dollar exchange rates depreciated from Tk. 53.06 a dollar in 2000-01 to Tk. 66.67 a dollar in 2004-05 and the rate is currently at Tk. 70-71 a dollar. In an environment of rapidly depreciating value of the Taka, the fall in domestic production of agricultural products, and rise in imports, hiked the prices up in hats and bazaars across the country.

GHULAM RAHMAN

SCHEDULE I of the Rules of Business lists the "allocation of business among the different ministries and divisions" of government. It includes the promotion and regulation of internal commerce, commercial intelligence, statistics and publications thereof, price control, state trading, and regulation and control of import and export trade, etc. within the purview of the ministry of commerce.

Therefore, the general public felt assured, and looked at him with admiration, when Commerce Minister Hafiz Uddin Ahmed, BB, visited the Karwan Bazar kitchen market immediately after assuming his new job. He went to check the prices himself and declared that appropriate actions would be taken against any syndicate manipulating the prices. Further, he forecasted that prices would come down soon. He made this promise, like his predecessors, on several occasions.

Finance Minister M. Saifur

Rahman in the FY 2006-07 budget reduced duties and taxes on a number of imported items. The government functionaries expected that tariff reductions would lead to a fall in prices. BNP Secretary General Abdul Mannan Bhuiyan predicted a fall in prices in a month's time. However, the tariff reductions had little, if at all any, impact on prices.

It may be recalled that in an article published in "The Daily Star" of May 22, I wrote: "The minister did not divulge how he will bring down the prices. In any case, The Shamokal, a vernacular daily, in its May 18 issue, listed several methods. It seems that tariff reduction, and import and distribution of essential commodities by the Trading Corporation of Bangladesh (TCB) are high on his list of contemplated actions. They may help to an extent, but are unlikely to have a big impact. Business syndicates will gain, at the expense of the exchequer, from tariff reductions, and import and distribution of goods through TCB would push prices up in the likely scenario of

appointment of party cadres as distributors. The minister also intends to fix prices after consulting the traders. Price fixing without ensuring adequate supply will not work."

For the last few months rainfall in the country has been less than usual. This is not a good omen. More rains may be coming in the next few weeks, along with more melted ice water from the Himalayas through our transnational river system. The combined effect may result in more than normal flooding of much of the countryside, adversely affecting agricultural production. This period would be followed by the holy month of Ramadan, when consumption demand would be much more than usual. Therefore, the government has little time to spare if it really wants to curb the price rise further.

Equilibrium of demand and supply determines the price of any commodity. Price rises sharply if the demand for a commodity is inelastic, even with a slight shortfall in its supply. Most items of daily necessity

have far less demand elasticity than luxury items. Since demand management, particularly of daily consumables, is far more difficult than the management of the supply chains the government should immediately embark on an exercise to estimate the demand-supply forecasts of all essential items in coming months. If any disequilibrium is expected measures should be taken to bridge the gap.

Several factors contributed to the unabated rise in prices of essential items in the last few years of the BNP led alliance government. Most items of our daily necessities -- rice, pulses, edible oil, sugar, onion, etc. -- are produced locally. The shortages are met with imports from abroad. Demand for these items, with rise in population, have increased, but domestic production of most items suffered setbacks. The table below gives their production figures, contained in Bangladesh Economic Survey, 2006, tabled by the Finance Minister in the National Assembly, along with other FY 2006-07 budget documents.

Table-1 shows that production of major agricultural crops, food grains as well as cash crops except boro rice, has declined during the last few years of BNP rule. The increase in boro production was also not as spectacular as it was during the previous AL regime. Food import, including food aid, rose from 1.78

million metric tons in FY 1990-91 to 2.43 tons in 1995-96, the last year of the previous BNP government, which came down to 1.55 million tons in FY 2000-01, the last year of the AL reign. With BNP in the driver's seat, the food import started rising and reached an all time high since the birth of Bangladesh in 1971 to 3.37 million tons in FY 2004-05.

The total bill for imports rose from \$9.34 billion in 2001-02 to \$13.15 billion in 2004-05, as against export of \$6.47 and \$8.66 billion respectively in those two years. Exports financed 69.27% of the imports in FY 2001-02, coming down to 65.86% in 2004-05.

As the import dependence increased, despite laudable increase in workers' remittance from abroad, from Tk. 10,266 crore in 2000-01 to Tk. 23, 647 crore in 2004-05, Bangladesh's external liability increased from \$15 billion in 2000-01 to \$18.8 billion in 2004-05.

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Last but not least, the import,

Table 1 : Production of Certain Agricultural Products (in million metric tons)

Crop	2000-01	2004-05	Increase/(Decrease)	Remarks
Rice Aus	1.81	1.50	(-) 0.31	*During AL govt. Boro production increased by 4.55 million tons from 7.22 metric ton in 1995-96 to 11.77 tons in
Amman	10.73	9.82	(-)0.91	
Boro	11.77	13.84	2.07*	
Wheat 2001-02..	1.62	0.98	(-) 0.64	
Pluses	0.37	0.32	(-)0.05	
Oil Seed	0.29	0.27	(-)0.02	
Sugarcane	6.74	6.42	(-)0.32	
Jute	0.82	0.72	(-)0.10	

Source: Bangladesh Economic Survey, 2006, a publication of Ministry of Finance

processing, packaging and marketing of essential items like food grains, edible oils, milk powder, sugar, etc. are now controlled by a syndicate of importers cum traders cum packers and manufacturers. It is reported that in an inter-ministerial meeting, chaired by the commerce minister and attended by business leaders, Partex group, City group, TK group, Meghna group, etc. were identified as the leading members of the aforesaid syndicate. Apparently these business tycoons have a close nexus with a powerful quarter within the government.

Sensing his inability to control their unbridled profit mongering, Commerce Minister M.

Hafizuddin, retracting his earlier declarations in despair, reportedly said that it is not his ministry's job to check their activities. Later, in a meeting with the members of a foreign chamber, he abdicated his responsibility by citing the example of a neighbouring country and saying that a new ministry should be created to control prices.

Since the "Allocation of Business" assigned the responsibility to monitor and control prices to the commerce ministry is there any scope for the commerce minister to make this "U-turn" within such a short time of his promise to bring down the prices and take action against the syndicate?

In case of unusual flooding during the August-September period, and uncontrolled rise in prices during Ramadan, the BNP propaganda campaign that it believes in "development and production," though belied by statistics contained in the finance ministry's publication (The Economic Survey, 2006), will fool no one in the next general election. Still there is time for the BNP to take a U-turn against the importers' syndicate and reclaim credibility, if there is any left.

The author is a former Commerce Secretary.

A government that failed to take off

BNP had earned a name for indecisiveness in its previous term. As working civil servants we never found it pro-active, rather it only reacted to an event and that too belatedly. During this term, in the absence of a singular clear cut authority, lack of vision and prevalence of predatory political instinct the nation suffered from tyranny of events like the havocs inflicted by religious militants, politicisation of civil administration and the judiciary, acute power crisis, widespread corruption and exorbitant rise in cost of living affecting every household of the country.

AHMAD MAHMUDUR RAZA CHOWDHURY

THE redeeming feature of democracy is that it gives people freedom to hire and fire a government. When a new government is installed it embarks upon fulfilling the pledges it made to the people prior to election. The first one hundred days is the take off period for a new government when it gradually spreads its wings and steers towards its desired goal. This take off period is the most formative time in the life of a government when its capability, effectiveness and commitment to good governance are tested. Initiating one or two projects of commanding height or addressing one or two issues of national importance boosts confidence and props up acceptability of the government. If a government succeeds broadly on important issues people tend to ignore or forgive minor failures elsewhere. It may be recalled that

the previous Awami League government had two impressive successes in its take off period viz; resolving decades-old insurgency in the CHT and signing of the Ganges Water Sharing Treaty.

It has been observed that a government's grip gradually weakens towards the end of its term. In its previous term (1991-1996) the BNP government did fairly well till the debacle of Magura by-election. It was, in fact, the defining point that heralded the beginning of its fall. But during the current term, one might find in retrospect that the BNP led coalition failed to hold firm grip over the events from day one of its taking power. Here efforts will be made to focus on events that were unfurled in the first one hundred days of the government which ominously influenced all actions in subsequent years of the term.

But one finds a piece of clean slate of BNP government's achievement at this stage. No splendid achievement to mention

in its first hundred days that could herald a glorious takeoff. Rather, there appeared certain events which bewildered people, shattered hopes of even some BNP well-wishers and paved way for chain of outlandish and ugly events that were to be perpetrated in subsequent years. As the BNP led alliance is now about to quit after five years one can identify three glaring actions unleashed in its take off period that deprived this government of the momentum that was so critically needed for a jump start.

The first decision that a new government takes is the formation of a new cabinet. The cabinet was sworn in with 60 plus ministers. As if it was not enough, the late night news announced that yet another advisor with status of full minister has been appointed. This first act of the government, formation of an unwieldy cabinet, frustrated many and betrayed political sagacity of the PM. Soon gossips began to

echo that many were inducted into the cabinet in exchange of material incentives and the PM was some what helpless when the pressure came from hitherto obscure quarter in her backyard. Many of these ministerial level appointees had virtually no work, simply grazing in the political pasture and enjoying government perks. This callous act robbed the new government of any business like character and delivered the first shock wave to the people who were yearning for a change. Its cockpit seemed too heavy to takeoff, least to speak of spreading its wings. If the morning was any indicator, it signalled a gloomy day.

Secondly, the very essence of a government is its authority to make decisions. The authority may reside in the secretariat, the bastion of power where ministers are top policy makers and responsible for running their ministries or as it quite frequently happened in Bangladesh, in the Prime Minister's Office (PMO) that arrogates power of line ministries. People look at the management technique of the government with rapt attention and accordingly try to identify the centre of gravity of power and authority.

People observed with wonder how an obscure house at Banani emerged as the most powerful citadel of the country that holds ultimate power and authority. Be it in matters of inducting members in the cabinet, awarding tenders allegedly after inflating costs of

gigantic national projects, or in matters of postings, promotion and dismissal of civil servants and sundry others.

This alternate powerhouse perhaps began to intervene in all major decisions of the government including the ignominious departure of former president of the country. The existence of an omnipotent centre of power outside the government's outfit undermined the authority of the government. The ministers and civil servants were shaken and they began to seek instructions and guidance from that powerhouse. In the private sector, before initiating any new venture one would be asked by his well wishers and friends whether it has been "lined up." This was hitherto an unknown phenomenon with which people had to come to terms. Opposition political parties had been talking about it, media had brought the issue to surface and it was so widely known and discussed that there was no reason to believe that it remained beyond the knowledge of the PM. Then what prevents her from dealing firmly with the menace that marred her credibility?

This erosion of authority resulting from the emergence of an alternate powerhouse was the second drag that sabotaged the government's take off and paved the way for widespread corruption.

The third stumbling block that stalled the government from making any impressive start was

politicisation and maiming of the civil service to an incomprehensible dimension. The notion of "our men" and "not our men" divided the whole administration and alienated vast majority of civil servants. There were indiscriminate supercession, premature retirements and making of OSD purely on political consideration. Conversely, persons with inadequate experience, greed and poor professional knowledge were given galloping promotions while also several hundred contractual appointments were made on purely political consideration. With people of such calibre and mental make up in the helm of affairs, the administration soon came to a virtual grinding halt.

The blatant politicisation of civil administration had far reaching consequences. The victims could not take initiatives lest they were misunderstood or subjected to further persecution and loss of livelihood while the beneficiaries could not care less for their responsibilities since maintaining political liaison was all the more important for meteoric rise to higher positions. This political divide had snowballing effect that quickly turned the civil administration to rigidity. As time passed, the beneficiaries, both deserving ones and politically patronised ones, developed agony from the fear that they might be the targets of reprisal if the government changes. A sense of uneasiness now prevails in the minds of senior officials whether working in the secretariat, field

administration or other government establishments. With such commotion, fear and uncertainty no administration could deliver services to the people. The result is widespread inefficiency, corruption and tendency to shrug off responsibility. It was the vindictive attitude of the government towards the civil servants in its formative stage that deprived it of any impressive take off.

BNP had earned a name for indecisiveness in its previous term. As working civil servants we never found it pro-active, rather it only reacted to an event and that too belatedly. During this term, in the absence of a singular clear cut authority, lack of vision and prevalence of predatory political instinct the nation suffered from tyranny of events like the havocs inflicted by religious militants, politicisation of civil administration and the judiciary, acute power crisis, widespread corruption and exorbitant rise in cost of living affecting every household of the country. There were temporary successes of the government in areas like macro-economic management, building foreign exchange reserves banning of polythene shopping bags and two-stroke three wheelers and anti-adulteration drive. But these achievements in the fringes were outshined by massive failures in cardinal aspects of good governance since the early days of its tenure.

Corruption is not new in this country. But what is striking this

time is that the epicentre of the all-pervasive corruption is located in the backyard of country's Chief Executive. Those who have watched the "Kingdom of Heaven" might remember that the benevolent king of Jerusalem tells the young Barron about the burden of responsibility that goes together with power. He says, "If you are a king or man of power... when you stand before God you cannot say that I was not told by others to do that or virtue was not convenient at that time. This will not suffice. Remember that..." When the entire country talks about this menace there cannot be an excuse that the PM did not know of it or that no body brought this to her notice. The voters may like to know this in not too distant a future.

The nation is anxiously waiting for peaceful transition of power through a credible election. But beyond that, one wonders how the new government will behave because by now, the incumbent government has taught us a lot about corruption, techniques of manipulation and ingenious tricks in the past five years. These lessons have to be learnt first before we can expect good governance from future leadership. It is an earnest hope that the next government will regard those lessons learnt as lessons of how not to run a government.

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Staying alive with HIV

The International AIDS Conference is taking place in Toronto this August, bringing together more than 26,000 delegates from across the world. Thousands of people living with HIV (PLHIV), especially those in developing countries who weren't able to attend this AIDS conglomeration, have concerns on locally available, sustainable and effective options to keep themselves alive while they wait for ARV programs to deliver on time, that must reach those at the conference.

ABIGAIL ERIKSON and BOBBY RAMAKANT

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Aids Care Watch campaign (<http://www.aidscrewatch.org>), a partnership of more than 400 civil society organizations across the world, gathered evidence on the various ways PLHIV were resorting to keep themselves alive while ARV programs begin to deliver effectively (quantitatively and qualitatively). The three key options for PLHIV to stay alive were:

-- Addressing HIV-related stigma, especially in the health care setting

-- Pushing for greater efforts to integrate tuberculosis and HIV services

-- Increased access to drugs (like cotrimoxazole) to treat/prevent opportunistic infections

Addressing HIV-related stigma
Five years ago the United Nations

(UN) General Assembly held a special session on HIV and AIDS that resulted in the "Declaration of Commitment on HIV/AIDS (2001)." The Declaration made a specific commitment to reduce the social stigma associated with HIV: "By 2003, [we shall] ensure the development and implementation of multi-sector national strategies and financing plans for combating HIV/AIDS that address the epidemic in forthright terms; confront stigma, silence and denial; address gender and age-based dimensions of the epidemic; eliminate discrimination."

Despite this commitment, health care settings are where many people living with HIV (PLHIV) still experience some of the worst HIV-related stigma. The three driving forces behind this insidious form of stigma are:

1. Morality: Health care workers often moralize and judge people's behaviour based on existing prejudice among others in society; religious institutions, the media, and the general public. By legitimizing moralistic stances with respect to PLHIV, health care workers often deny people the proper care they need and deserve.

2. Helplessness: Clinical helplessness colours health care workers' reactions to PLHIV. This operates on several levels: first, not only are they powerless to cure HIV, health care workers are often unable to alleviate the psychologi-

cal and physical pain of PLHIV. Second, many are not trained to provide emotional support to PLHIV. Thirdly, health workers in heavily-affected settings have to deal with the impact of HIV in their own communities.

3. Fear: HIV-related stigma is more pronounced in countries with a weak health infrastructure. In such settings, health care workers must face their daily fear of acquiring HIV because of inadequate access to universal precautions such as gloves, sharps disposal, post-exposure prophylaxis (PEP) and safe blood collection kits. Like others, they may be reluctant to test themselves for HIV. This may consequently be projected onto PLHIV.

Aids Care Watch recommendations: National governments, international agencies, health workers, advocacy groups and others should endorse and call for urgent interventions to address the three driving forces behind stigma among health workers, namely:

- Codes of ethics and professional conduct in health care provision must be put in place, with sufficient forms of redress for professional violations.
- Practical and attitudinal HIV-related training for all health care providers should be encouraged, especially in light of calls to expand the health care workforce in resource-poor settings.
- Universal precautions should

be promoted in order to reduce health care workers' fear of infection, as well as availability of supplies (gloves, sharps disposal etc.) - Voluntary counselling and testing, care and support for health care providers need to be promoted.

-- Provision of PLHIV-friendly health services, including voluntary counselling and testing, and care and support services must be scaled up. PLHIV must be involved in developing, managing and evaluating such services.

Integrating TB and HIV services

At the UN General Assembly special session on HIV/AIDS (2001), the leading infectious cause of death among people living with HIV (PLHIV) -- tuberculosis (TB) -- was not on the agenda. The resulting Declaration of Commitment on HIV/AIDS did not even include the word "tuberculosis." It did, however, assert that by 2003 national governments would: "[I]n an urgent manner make every effort to provide progressively and in a sustainable manner, the highest attainable standard of treatment for HIV/AIDS, including the prevention and treatment of opportunistic infections."

New strategies and tools are urgently needed to tackle the challenge of TB/HIV co-infection. The WHO recommended collaborative TB/HIV activities must be accelerated, and research stepped up to deliver a new generation of effective drugs and diagnostics to keep co-infected people alive. Closer coordination between national TB and HIV programs and services is vital.

TB and HIV accelerate each other's progression. PLHIV infected with TB have much greater chances of developing active disease than HIV negative people, even at high CD4 counts.

Even where the DOTS strategy

is available, current diagnostic tests fail to detect active TB among 60-80% of people with HIV due to the predominantly smear negative pulmonary or extrapulmonary nature of TB in PLHIV. Although recent studies have shown that, in some settings, over three-quarters of people presenting at TB clinics may be co-infected with HIV, only a small fraction of people with TB are also tested for HIV.

An even smaller proportion enters anti-retroviral (ARV) treatment. In some countries, people with HIV-associated TB disease experience up to 33% mortality during the first two months of TB treatment. Rifampicin, a cornerstone drug in TB combination therapy, has adverse interactions with HIV treatment regimens containing nevirapine or protease inhibitors.

Further, the current TB vaccine used to prevent childhood TB may not be safe for children with HIV.

ACW recommendations: Building on closer integration of TB and HIV program in the short-term, our best hope for turning the tide against TB and HIV co-infection lies in the full implementation of WHO recommended TB/HIV collaborative activities and the development of new diagnostic tests, drugs, and vaccines that can identify co-infected individuals and provide them with fast, effective and affordable treatment, or prevent TB infection altogether.

The ACW campaign calls upon national governments, international agencies, donors, and advocacy groups to explicitly recommend and commit to specific actions and investments that will generate:

- Universal access, by 2010, to the full WHO-recommended package of 12 co-located TB/HIV activities in all health systems -- public and private -- and in a decentralized fashion at primary care

levels.

- Better TB diagnostic tests for use in resource-poor settings that are rapid and effective for diagnosing pulmonary and extrapulmonary TB disease in people with HIV, including children.
- New drugs that shorten TB treatment duration and are safe for use in people being treated for HIV.
- Greater availability and systematic provision of drugs such as isoniazid and cotrimoxazole to prevent/treat TB and other opportunistic infections among PLHIV, including HIV-infected children.
- A TB vaccine safe for use in PLHIV to prevent undue suffering and death among those at high risk.
- Greater support for engagement by civil society organizations -- including people living with and recovered from TB and PLHIV -- in the design, implementation and evaluation of TB/HIV policies and services.

Treating/preventing opportunistic infections: Cotrimoxazole -- also known as Bactrim or Septra -- is a wide spectrum antibacterial drug that is highly effective in treating and preventing common opportunistic infections (OIs) among adults and children living with

HIV and/or tuberculosis (TB). The drug is widely available and affordable in most settings, costing just \$0.0022/dose to \$0.0047/dose in the international market.

Since March 2000, cotrimoxazole use has been recommended by the World Health Organization (WHO) and the Joint United Nations Program on HIV/AIDS (UNAIDS) as a life-extending treatment for people living with HIV (PLHIV).

In 2004, the WHO, UNAIDS, and the United Nations Children Fund (UNICEF) also recognized the vital role of cotrimoxazole prophylaxis in saving the lives of infants and

children exposed to/infected with HIV in a joint statement calling the drug "a crucial, potentially life saving intervention." Yet,

despite these provision guidelines on its use, most countries have not widely implemented cotrimoxazole as a priority.

Last year, WHO convened an expert consultation to revisit the issue of cotrimoxazole prophylaxis for adults and children. At the meeting, new recommendations were drafted and experts advised WHO to develop clear and consistent messages on the need and value of cotrimoxazole prophylaxis, and to provide technical assistance to countries to increase its use. In addition, it was recommended that regional and global targets should be developed to monitor access to the drug. To date, none of these recommended actions have been taken, nor have revised guidelines been published.

Despite the proven effectiveness of cotrimoxazole in extending the lives of people with HIV and TB, access to this simple, cheap, life-extending treatment is low, especially in the Asia-Pacific region. Furthermore, people living with HIV and TB are not always aware of the benefits of cotrimoxazole. For example, a survey on cotrimoxazole use among PLHIV conducted by the AIDS-Care-Watch Campaign (June 2006), found that awareness of the drug varied significantly. One respondent from India reported:

"People who are in networks of [people living with HIV/AIDS] are aware of the potential benefits of cotrimoxazole, those who are not, are left to the good will and knowledge of medical doctors who are often not trained in HIV."

ACW recommendations: People living with HIV and TB in poorer parts of the world are often constantly challenged by a variety

of infectious diseases, which place them at greater risk of developing HIV-related opportunistic infections. The

AIDS-Care-Watch Campaign strongly recommends a set of urgent actions to increase availability of drugs to treat and prevent OIs, in particular:

- Increased availability of drugs (like cotrimoxazole) to treat/prevent opportunistic infections
- WHO should immediately publish revised guidelines on cotrimoxazole prophylaxis for children and adults, and set time-bound regional and global targets for universal access to cotrimoxazole prophylaxis.
- Government bodies should integrate WHO guidelines on cotrimoxazole prophylaxis and treatment for adults and children into national AIDS-related care policies and guidelines.
- In health care settings, medical services should actively increase availability and systematic provision of cotrimoxazole to children and adults exposed to and/or living with HIV and/or TB, in accordance with

international and national treatment guidelines.

We need to do everything possible to keep PLHIV alive. These are just three key options ACW feels need to be pushed while the Toronto Aids Conference goes forward.

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