

Urgent task for the new CA

Power vacuum must not continue

BY the time this editorial appears in print one hopes that the newly appointed chief advisor (CA) will have formed his team of advisors. If that is not so we suggest strongly that it must be done without further delay, certainly before the day is out. And we have very compelling reasons for making the suggestion. The situation we are facing is unique and time is of essence since there is the vacuum that is causing concern to us all. We have the chief executive without his cabinet -- a situation that must not be allowed to prolong.

We feel that the CA's task is cut out. His first and foremost step will be to select a band of persons with impeccable honesty, who have standing in the society, and who, along with the CA should be able to restore the image of the caretaker government (CG) which has taken a severe pounding in the recent days, and the office has been severely maligned by the way the erstwhile CA played his part. Not only did his wearing two hats make him partisan, Mr Iajuddin compounded the issue by his performance, which left much to be desired

In his choice of his team of advisors we expect the CA to be open to suggestions but at the end of the day he should let his conscience and good judgment be his guide and national interest be the only criterion in selecting people with integrity and strength of character who will rise to the occasion and be able to resist partisan pressure, something that we have seen the council of advisors subjected to in the past.

The other task for the CA will be to address the new situation that has emerged because of the imposition of emergency by the president. It is indeed a unique situation and there is confusion regarding the status of the CG in the current State of Emergency in the country.

The CA must also communicate with the public at the earliest opportunity. His maiden address to the Nation must not only induce confidence but should also inspire and enthuse the people.

[This editorial was written prior to the announcement of the new advisers.]

Economy slowly coming alive

Make up for the lost time

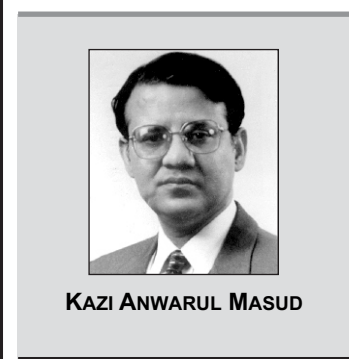
IT is encouraging news that the economy of the country has started to go back on track after months of disruption because of the extended political unrest, which at times threatened it with irretrievable consequences. The worst hit was the readymade garment sector, now the major foreign currency earner for Bangladesh, with export schedules going haywire and new orders almost drying up in the pipeline.

We are happy to learn that the largest seaport at Chittagong has also sprung back to action following the declaration of emergency. This vital port remained closed intermittently for months together during the turbulent days of political squabbling thereby causing substantial damage to the economy. What came as a pleasant surprise was that the banks and customs offices functioned on Friday to facilitate the clearing and forwarding works and make up for the lost working days. This goes without saying that the port is a national property and no political party or leader has any right to close it down for personal or partisan aggrandisement.

We have been vocal for many years regarding the importance of keeping all economic activities of the country out of the ambit of politics. Political leaders have often given their promises not to hamper the economic activities while pressing forward their political agenda. But unfortunately none of them cared to keep their promises. As a result, in the past fifteen years, our economy has received body blows from time to time from destructive political programmes like hartals, siege, demonstrations and so on.

Therefore, one of the essential steps of the caretaker government would be to facilitate further growth of the economy through encouraging all relevant agencies to maintain law and order in the country and creating the right environment. Besides further bolstering the performance of the regular sectors, new areas of economic development have to be identified and given the fullest support.

Back from the brink



"A common mistake of the past has been to accept cosmetic changes or holding of a vote as a sign of democratization. They are not," writes Peter Singer of the Brookings Institution. "Constitutional reform to allow freedom of association and speech, an independent press, formation of political parties, and ending of emergency laws should be at the heart of the agenda."

The remarks could be appropriate for the prevailing situation in Bangladesh where partisanship and obduracy in the name of maintaining the sanctity of the constitution, abrogated whenever it suited the power-hungry elite of the country or amended by them to sanctify the extra-constitutional acts performed by them, is now pushing the country towards ruination.

Though belated, the declaration of emergency by the president has at least for the time being saved Bangladesh from the inevitable death and destruction that a January 22 election, rejected by a majority of the people, would have caused. It is, however, yet unclear whether the

GOING DEEPER

Fortunately in Bangladesh we may have failed governance but not a failed state. It is, therefore, of utmost importance that the political problem we now have should not be turned into an intractable legal and constitutional problem, but solved through consensus among major political parties. The Nepal crisis, though of an entirely different nature, provides a stellar example of patience and negotiation between erstwhile bitter enemies that can produce good results.

past attempts to subvert the Constitution in the name of saving the sanctity of the Constitution have come to an end.

The declaration of emergency would naturally circumscribe certain rights enjoyed by the people. But such suspension of rights is not uncommon in legal systems. International Covenant on Civil and Political Rights, 1966; European Convention of Protection of Human Rights and Fundamental Freedoms, 1950; and, American Convention on Human Rights, 1966 do accept derogation of fundamental human rights during the period of emergency. But then one could be inclined to agree with the views expressed by The Daily Star (Jan 12) because of the commendable role played by the media during the Bangladesh crisis.

The immediate past government must be given credit for putting their loyalists in onion-like layers which however much peeled does not produce a crop of neutral people because next unfolding strata is also filled with

their loyalist people. Unfortunately the key people who could rescue the country from the impending disaster i.e. then chief of the caretaker government and the chief election commissioner chose either to ignore the court orders relating to updating of the voter list or to waste valuable time which could have been well spent by borrowing the wisdom of others better versed in matters of law and politics.

It is highly regrettable that the country does not yet have a broadly acceptable correct voter list, admitted by the president in his address to the nation, less than two weeks before the date then fixed for the election while the election rules provide that a draft voters list be made public at least 15 days ahead so that addition/deletion can be made for the list to be made final. The argument that the list can be amended even a day before the election is a weak defense for laxity in the preparation of the draft voter list and does not absolve the Election Commission whose duty it was to present the people with a flawless voters list.

Robust remittance inflow



EARNINGS of the expatriate Bangladeshis is a prominent source of foreign currency for Bangladesh. The inflow of remittances in foreign currency by the expatriate Bangladeshis has increased substantially over the last few year to about 150 per cent. Bangladeshis abroad sent around \$4.92 billion in the 11 months of 2006 against \$2.07 billion in 2001. The country's remittance hit a record high in a single month, reaching \$598 million in November 2006. As per the Bangladesh Bank sources, the remittance also marked a surge in December 2006, as the overseas workers sent money on the occasion of Eid-ul-Azha.

The remittance scenario from 2001 to 2006 reveals that inflow of remittance has been increasing at a faster rate. Remittances earned were \$2.07 billion in 2001, \$2.84 billion in 2002, \$3.17 billion in 2003, \$3.56 billion in 2004, and \$4.24 billion in 2005. Remittance

BY THE NUMBERS

The importance of remittance for the national economy has become more pronounced in the present political situation. The current level of remittance is quite able to offset 65 percent of the trade deficit of the country. But the country may lose the labour market abroad because of the unscrupulous syndicates who are mainly responsible for sending workers illegally and hampering legal migration.

earned from January to November 2006 was \$4.92 billion. This robust inflow of remittance has raised the country's foreign currency reserve to \$3.9 billion, according to the latest available figures of the Bangladesh Bank.

The Bangladesh Bank's statistics also revealed that inflow of remittance in the July-December period in the fiscal year 2006-07 rose to \$2.84 billion, posting a strong 30 per cent rise over the same period in the last fiscal, which was \$2.17 billion.

Bangladesh, a country where industrial investment is stagnant and expansion in agricultural and service sector is simply not able to cope with the ever increasing pressure of unemployment, very badly needs to find employment opportunities abroad for its unskilled and semi-skilled labourers.

For nearly three decades now, the oil-rich Middle East counties relied heavily on cheap and unskilled immigrant labourers from Bangladesh. Other than the Middle East countries, unskilled

and semi-skilled labourers from Bangladesh are spread over many countries in Asia and Europe, including Malaysia, South Korea, Singapore Jordan, Libya, Lebanon, Germany, Australia, Iran, Japan, Italy, and Spain.

According to a latest statistics supplied by the Bureau of Manpower Employment and Training (BMET), about 4 lakh people left the country for joining jobs overseas last year against less than 2 lakh in 2001. Around 50 lakh Bangladeshi migrant workers are spread over 40 countries across the world. Of these, around 50 per cent are working in the Middle East countries and they send about 70 per cent of the total remittances.

With a modest starting in 1976, the country has by now become a prominent manpower exporter. Bangladeshis, who seek manual jobs abroad, are commonly poor and illiterate. Just to afford two meals for their families, they opt for any sort of job abroad by selling off their last plot of land to

meet the high demands of the manpower agents. But even then many of these people do not get jobs.

Some of them, as an aftermath, lost their lives abroad and others lost their last resort. Hundreds of innocent job seekers have been suffering both financially and mentally in the hands of the unscrupulous manpower agents. Such fraudulent activities by the unscrupulous manpower agents are still going on unhindered, as they are not adequately taken to task by the government.

Opportunities are there to further increase the inflow of remittance from the expatriate Bangladeshis by encouraging them to send their hard earned foreign currencies through official channels instead of sending through illegitimate channels like money laundering. Non-Resident Bangladeshis (NRB) claim that the country could earn foreign currency four times higher if all the remittances are sent through official channels.

The seminar on "Money

the nation dearly in terms of people killed and property damaged.

Many foreigners, particularly key members of G-8, expressed concern over the deteriorating political conditions in Bangladesh. Rarely have so many ambassadors been so busy trying to realize participation by the two major alliances in the coming elections. As ambassadors generally do not act without directives from their respective capitals, the concerns shown by them can only reflect the anxiety felt in the US, UK, EU, Canada, UN, and reputed international organizations.

The phone call by Nick Burns of the US State Department to President Iajuddin, statement by Australian Foreign Minister Alexander Downer and British Foreign Secretary on Bangladesh crisis and the concern expressed by Kofi Annan and more recently by Ban Ki Moon, the new UN Secretary General, have been of immense help in supporting the demands of the Grand Alliance and the people at large for holding a free and fair election.

Earlier the international lack of confidence in the transparency of our electoral process was further emphasized by the decisions of the European Commission, Washington-based National Democratic Institute and International Republican Institute not to send missions to observe the elections on Bangladesh.

One should not ignore the international aspect of the Bangladesh crisis. The West is

acutely aware of the fact that, in the wake of the Iraq war, especially, 90 percent of the inhabitants of Muslim countries view America as the primary security threat to their country (and) the number of Americans who have a negative view of the entire religion of Islam has grown each year since the 9-11 attacks to now comprise almost half the US body politic."

The Western countries are particularly worried about development failures in countries like Bangladesh with their possibility of being combined with freedom deficit which would make it possible for the Islamists to fill the vacuum of failing public services by providing education, health, food and shelter to the needy and potential terrorist recruits.

The G-8 would rather have diplomatic and economic engagements with countries facing possible failure long before such failures come to pass. Fortunately in Bangladesh we may have failed governance but not a failed state. It is, therefore, of utmost importance that the political problem we now have should not be turned into an intractable legal and constitutional problem, but solved through consensus among major political parties.

The Nepal crisis, though of an entirely different nature, provides a stellar example of patience and negotiation between erstwhile bitter enemies that can produce good results.

Kazi Anwarul Masud is a former Secretary and Ambassador.

Laundering: Bangladesh Perspective" organized by Bangladesh Young Economist Association revealed that foreign remittances worth around Tk 72 billion remitted by the expatriate Bangladeshis were transferred through money laundering during the fiscal year 2002-03. It was also revealed in the seminar that about three million expatriate Bangladeshis send 80 percent of their remittance through unofficial channels, thus depriving the country of big chunks of valuable foreign currencies.

Remittance from the Bangladeshis abroad is the most trouble-free way of earning foreign currency for Bangladesh. This earning can be raised substantially if the money laundering is curbed. Due to easy mechanisms and quick payment facilities, large numbers of expatriate Bangladeshis prefer to utilize informal channels for transferring their earnings back home instead of the banking channels.

Most of the Bangladeshis who work in Middle East countries are illiterate and so prefer informal channels for money transfer that does not require any banking norms. The expatriate Bangladeshis also choose informal channels for money transfer because of the higher service charge of foreign banks. The informal channels also strictly maintain secrecy of payment made to beneficiaries which is not done by the paying banks.

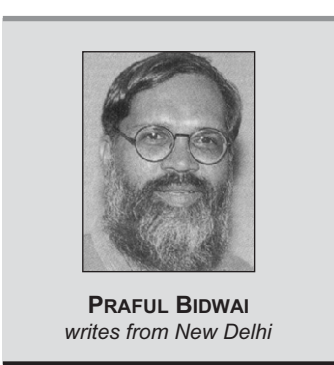
Remittance from the Bangladeshis nationals employed abroad is now the highest source of foreign exchange for the country, as the earnings from the RMG sector have already decreased due to political unrest. In addition, earnings from RMG are not net -- a substantial part of it is being spent in importing raw materials -- whereas the earnings from remittance are net.

The importance of remittance for the national economy has become more pronounced in the present political situation. The current level of remittance is quite able to offset 65 percent of the trade deficit of the country. But the country may lose the labour market abroad because of the unscrupulous syndicates who are mainly responsible for sending workers illegally and hampering legal migration.

Coordinated efforts, both at home and abroad, are imperative for the welfare of Bangladeshis leaving the country in search of prosperity, not only for them but also for the country. Most importantly, stern actions against the unscrupulous manpower agents must be taken immediately. Any sort of negligence on the part of the government may result in a drop in manpower export from Bangladesh to many countries.

ANM Nurul Haque is a columnist of The Daily Star.

Tata lobbies for Dow Chemicals



JUDGED even charitably, the United Progressive Alliance (UPA) government's environmental record is poor. While paying lip service to reversing global warming, it has refused targeted reductions in India's greenhouse emissions, which are rising almost four times faster than the global average. It's recklessly promoting private transport and energy-intensive air-conditioning and other wasteful technologies.

The government has passively watched the pollution of India's rivers and rapid melting of the Himalayan glaciers, which feed the Ganga, Yamuna and Brahmaputra. It has relaxed environmental regulations and pro-

The present globalising phase of capitalism has produced further distortions in businessmen's attitudes. The Tatas used to proudly contribute to the larger community through education, housing, healthcare and research. They no longer do. Once tolerant of trade unionism, they have now become hostile to it. The Tatas now actively solicit generous government support and patronage, and threaten to pull out of projects if they don't receive it. Singur is a prime example of this. The Tatas' environmental record, whether in Orissa, Andhra, Gujarat or Jharkhand, is disappointing. They shouldn't tarnish it further by working against Bhopal's victims.

moted ultra-hazardous ship breaking.

Ship breaking at Alang in Gujarat routinely kills and maims wretchedly poor workers. Last week, three men died in Alang.

Last year, the government welcomed French naval ship Clemenceau for dismantling, although it carried thousands of tonnes of asbestos. Receiving it would have violated the Basel Ban on movement of toxic wastes. Ultimately, French public opinion scuttled the illegal operation.

The UPA has been complicit in Mr Narendra Modi's raising of the Sardar Sarovar dam to 121.92 metres, in violation of the Supreme Court's stipulation against further construction until the displaced are fully rehabilitated.

Raising the height flagrantly breaches Prime Minister Manmohan Singh's commitment of last April.

When the Narmada Bachao Andolan launched a hunger strike, Dr Singh dispatched three Union ministers to survey the Valley's situation. They reported that rehabilitation was incomplete. He then set up an "Oversight Group" under ex-bureaucrat VK Shunglu, overriding his Cabinet colleagues.

Despite flaws, the Shunglu report conceded that 25,000 families haven't been rehabilitated. Madhya Pradesh and Maharashtra just don't have the land.

Mr Modi now wants to build dam gates up to 138.68 metres. This

will displace two lakh people. It's unclear if the UPA will resist this destructive misadventure promoted by entrenched interests.

The UPA is also vacillating under industrial lobbies' pressure to further subvert justice for the 1984 Bhopal disaster victims -- by letting US corporations evade their responsibility to clean up the factory site of poisonous chemicals which have contaminated the city's water.

Under Indian law, Union Carbide, which owned the Bhopal plant, is criminally liable for the world's worst industrial accident. It's also duty-bound to cleanse the plant site of toxins, which include cancer-causing agents.

After Carbide was bought by US giant, Dow Chemicals, its obliga-

tion stands transferred to Dow. India's Department of Chemicals and Fertilisers has filed a Rs 100 crore claim on Dow.

Dow wants to duck this. In December, it got the US Embassy in India to urge the government to withdraw the claim.

Now, Dow has found an ally in Mr Ratan Tata, who has offered, "to lead and find funding" for the "remediation" (cleansing) of the site so that Dow can invest in India.

Dow has long eyed India's market. It has repeatedly tried technical collaboration with Indian oil, but was stopped. Now it's worming its way back through Reliance Industries and offers to set up plants in Madhya Pradesh, where it has darkly hinted, it could employ the Bhopal victims' relatives!

That would add insult to injury. The disaster killed over 3,000 people within a week. Chemical damage hurt another 100,000, causing 15,000 deaths and terrible suffering for the survivors.

After 1984, a second tragedy visited Bhopal through a grossly unfair, collusive settlement, which settled the victims' compensation

for a paltry \$470 million and totally extinguished Carbide's civil liability.

Most victims got as little as Rs 25,000 for a lifetime of suffering. The bulk of this went to corrupt officials and money-lenders.

All that now remains of Carbide/Dow's liability is criminal prosecution of its directors, including former Carbide chairman Warren Anderson, and the cleaning-up obligation. The Indian government has tried to subvert the prosecution. It claims it cannot serve a warrant on Anderson -- although his address in suburban New York is known.

Letting Dow off the liability book will rub even more salt into the Bhopal victims' wounds. Yet, Dow insists it's not legally liable despite being Carbide's successor. This claim mocks the elementary "polluter-pays" principle.

Dow is attempting crude blackmail. The UPA must not succumb to it.

Mr Tata is pursuing a deplorable pro-Dow role as co-chair of the Indo-US CEO Forum, of which Dow president Andrew Liveris is a member. Mr Liveris has met Dr Manmohan Singh at least twice.

Congress party spokesperson Abhishek Manu Singhvi is Dow's lawyer.

Top functionaries are lobbying for Mr Tata's proposed "corpus fund," to be established by Indian and US companies, to clean up the Bhopal site -- on condition that Dow is let off the hook.

The Forum and US-India Business Council say this would "send a strong positive message to US investors."

There are numerous links between the concerned parties. Keshub Mahindra, Union Carbide-India's former chairman, and an accused in the Bhopal case, has served as director of several Tata companies. Former State Department official David Good, who worked against Anderson's extradition, heads the Tatas' US office.

Mr Tata's new role raises questions about the changing nature of Indian business groups. His family set up India's first steel mill and ventured into engineering, aviation and other fields. They were committed to indigenous industrialisation and did not solicit governmental favours.

JRD Tata kept a dignified

distance from influence peddlers. But he had his weaknesses: obsession with population control, and the conviction he expressed during the Emergency to The New York Times, namely, "the parliamentary system is not suited to our needs."

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Praful Bidwai is an eminent Indian columnist.