

## Consumers' rights trifled with

### Shame to successive governments

FOR all we know, a consumer rights protection law has been at draft stages even after a persistent long-felt need to have it in a free country with a free market. We are somehow resigned to the fate that ours being a seller's market, the buyer is a mute victim of manipulated market forces. So there is not even any civic resistance concept growing amongst us.

People belonging to the lower and fixed income groups continue to reel under the burden of spiraling prices of essential commodities and that too in short weights and measures, not to speak of the quality.

How is one to explain the long-drawn-out absence of a consumer law? Two hard truths have sprung up at a discussion forum organised by Consumer's Trust (TCT), a non-government organisation: No political government in cohorts with trader syndicates has shown any interest in a consumer protection law because that is not to their long-term gains. The implication is that they are bound by common interest in profiting from the market operations. They are also not users of local products, not in the sense middle and lower income groups are dependent on, so they are hardly bothered by higher prices of imported products.

The rising costs are attributable to a kind of greed and excessive profit making on the part of bulk importers down to the retailers. Hoarding and black marketing are the names of the game. On one level solution lies in continuing a result-oriented consultative process girdling the government, industry, business houses and consumer representatives.

Basically, however, we need to enact stringent laws to protect the interest and rights of the consumers. In the formulation of laws, two important aspects need to be borne in mind. First, there should be special courts to try cases relating to all matters of violation of consumer rights. Secondly, business advertisements that mislead the consumers through distortion of facts should be a punishable offence.

We urge the caretaker government to attend to this matter of great public concern with high priority.

## The honoured young

### It shows a commitment to tomorrow

WE take this opportunity to congratulate the 733 young scholars honoured by the Daily Star for their performance at the O and A level examinations on Friday. These young people, like their predecessors in the last several years, have vindicated the idea once again that despite the difficult circumstances which Bangladesh lives through, its children are still capable of doing it proud in academic achievement.

We of course realize that the foundations of education in Bangladesh are the mainstream schools or, simply put, the Bangla medium schools all across the country. We are happy to know that in the past, our children from Bangla medium educational institutions have done extremely well career-wise both at home and abroad. To that sense of achievement has been added the contributions of our English medium schools, fifty six of which were represented at Friday's awards ceremonies. We cannot deny that since the mid-1970s, when a handful of such schools tiptoed into the academic arena, the scope for instruction in the English language has grown tremendously. The performances put up by students at these institutions, or at least many of them, have served as a complement to the overall education system in the country. The fact that three of the students honoured on Friday scored the highest marks globally in such subjects as mathematics, human and social biology and Bangla testifies to the thought that good schools unambiguously hold the key to academic excellence. It all boils down to a question of standards. These schools and their students have shown that they are capable of raising standards of education as the years go by. We need hardly repeat the idea that in the recent past our children have, through their brilliance, shown themselves capable of handling life and careers on the global stage. Young people like those honoured on Friday have gone out into the wider world of the intellect to demonstrate their enormous capacity of carving a niche for themselves. That is one reason why we choose to call them the nation builders of tomorrow. Their dreams and their aspirations, all so very well articulated by some of them on Friday, are a pointer to what the future may hold for our country.

There are, certainly, some basic issues that need handling. One is the matter of high fees at these schools, a reality which prevents large numbers among the poor and middle classes from taking advantage of such education. Devising a way out of such difficulties will surely add more substance to the commitment that our young have made to tomorrow.



KAZI ANWARUL MASUD

## GOING DEEPER

After all, US Farm Act and European Common Agricultural Policy are not totally unknown in this country. Revitalization of Trading Corporation of Bangladesh and other forms of state intervention in price control could be considered. Free and fair elections are good but fair price of essentials is an equally good thing to aspire to.

the transition of authority through a free and fair election. One wonders about the complexity ingrained in the personality of an individual who allegedly has bought 132 apartments in his own name or in the name of the others. While ownership is a matter of legal puzzle to be solved by the lawyers of the alleged owner and the authorities, what surprises many is of the nature of the driving force goading a man to acquire so many properties with ill-gotten money.

For quite sometime Bangladeshis have been losing faith in the total honesty of some of the people they send to parliament. Though it would be unfair to label all politicians as corrupt for the misdeeds of some yet the people were staggered when faced with the alleged extent of corruption fronted in our newspapers. One wonders what punishment can be awarded to those found guilty of such corruption in a country where half the population live below poverty line, where talented youngsters cannot further their studies because they do not have the measly sum of a few hundred taka to be paid as

tuition fees, where the rich and the famous spend in one evening what many poor people cannot earn in a month.

Gravity of a crime should be judged on an interpersonal level, on the basis of opportunity cost to others who are deprived of their due because of the corruption committed, and poverty is deepened and extended. It is sometimes worse than murder because an individual or a family is doomed to life-long loss of opportunities because they have been sentenced to dehumanized poverty by the greed of some. The poor are sick because they are poor, because they cannot afford to go to doctors and buy the medicine they need, because of the optimum sanitation they are denied which should be the birth right of all human beings. The poor are uneducated because they cannot afford, as mentioned earlier, good education, sustainable education that will free them from the poverty trap. But the unfathomable greed of individuals breaks the social contract the governed had entered into with the governors who in the exercise of absolute power without accountability forgets the Actonian precept that absolute power corrupts absolutely.

The fracture in the social cohesion led to incidents we witnessed at Kansat, Phulbari and Shahrin Ancharkha which were revolts against the failure of the authorities to deliver social goods to the people, revolts without political color that grew out of the people's collective frustration. The dramatic changes we witnessed in the resignation of President Iazuddin Ahmed's caretaker government, resignation of the chairman and members of the Election Commission and the Anti-Corruption Commission were possible because of the no confidence expressed by the people in these persons who had the ulterior motive of holding a farcical election to bring back to power the same group of kleptocrats who had been asphyxiating the country for the last five years.

The international community who watched with horror the Machiavellian tactics being used by the people then in power, their unbound corruption, and confrontational politics leading the country towards abyss, already aware of

the lethal power that can be unleashed by few non-state actors born out of chaos, backed the popular movement for rectification of the aberrant situation in Bangladesh.

One can put numbers to the loss sustained by the society due to corruption by the political leaders and the loss to the growth of the economy. One can also quantify the probable loss to the economy and its multiplier effect had the loss not been incurred. But it is not always possible to gauge the degrading effect on the morale of the people due to the demonstration effect of corruption and consequent climbing up the social ladder by the corrupt. Such examples that crime does pay would have encouraged youngsters to follow the path of crime with the illusion that there is no punishment at the end of the day.

Protestant ethics of hard work, honesty and thrift that has put the Western world (of all denominations) at the apex of development and now being emulated by some of the newly emerging economies were not put as examples to be followed in Bangladesh because, more often than not, hard work, honesty and thrift the reward was given away to people who had developed illegal collusive nexus among the politicians, bureaucrats and dishonest businessmen. Morality is inextricably linked with meritocracy. Rewards in all spheres of life should be given on the basis of merit that should be recognized as the ultimate barometer of eligibility. The society should, however, be on

the guard that in the process of giving preeminence to meritocracy justice is also given due consideration.

This distributive justice, termed by Nobel laureate Joseph Stiglitz as "moral growth," has to be ensured. The present government, however, can be faulted with its lack of success in controlling the price spiral which for quite sometime has gone beyond the purchasing power of the common people.

While its achievements so far would be gratefully remembered by the nation its failure to curb the price spiral or its attempts to explain away its inability to do so in terms of international increase in the price of some commodities can only contribute to lessening of popular support. After all, US Farm Act and European Common Agricultural Policy are not totally unknown in this country. Revitalization of Trading Corporation of Bangladesh and other forms of state intervention in price control could be considered. Free and fair elections are good but fair price of essentials is an equally good thing to aspire to.

Kazi Anwarul Masud is a former Secretary and Ambassador.

## Reforming Bangladesh Bank



ABDULLAH A DEWAN

## NO NONSENSE

Historically, the three bureaucrats in the 9 member board of directors (BOD) have had little or no experience in central banking. They should be replaced by the chairman of the SEC, director general of BIDS and the secretary of finance as permanent members. The BOD must be comprised of honest professionals with credible banking and financial market experience, and be free of political affiliations.

government.

- Unfavourable business environment deters and delays foreign investment and thus retards future growth potential. Less growth and less production mean less tax revenues.

• Finally, the banking sector's defaulted loan loss must be curtailed. Losses of nationalized banks become a burden of the exchequer and add to the deficits.

Once the ACC wages an all out "anti-corruption revolution," budget deficits will lessen through increased tax collections. In fact, with the good governance spearheaded by CTG, the treasury has already begun to cash in increased tax revenues and decreased borrowings.

Government borrowing from banks has decreased by Tk 698 crore in the first month of the present CTG due some restrained fiscal measures and increased revenue collection (Tk 6,300 on January 12 minus Tk 5,602 crore on February 13). January alone saw a growth of 8% in revenue collection compared to 3% of January 2006.

The fear of facing the ACC for tax evasion may have partly contributed to this increase in revenue.

A reduction of budget deficits will enable BB to conduct monetary

policy with less borrowing by the government. Lower budget deficits will also cutback government borrowing from banks and leave scarce funds available for business investment at a lower interest rate. Lower budget deficits would also entail less inflationary pressure induced by debt monetization.

However, to achieve macroeconomic stability through realizing price stability and stable GDP growth it is the central bank and the country's financial institutions that must play a major role. The February 4 approval of the by-laws converting the nationalized commercial banks (NCBs) -- Sonali, Janata and Agrani -- into public limited companies was a bold but crucial first step on the road to set sound orders in the banking sector.

The NCBs will now operate like any other businesses (independent of government interference), with the explicit goal of maximizing profits within the ambit and specifics of BB guidelines. Efficiency gains in asset and liability management will enhance the banks' liquidity, solvency, and profitability. Instead of ballooning budget deficits accrued from loan losses of these banks, we will see smaller deficits and increased tax revenues.

To strengthen the monetary and banking sector the BB must be given the necessary autonomy which Governor Salehuddin Ahmed asked for on January 15. The following recommendations may be considered:

- Historically, the three bureaucrats in the 9 member board of directors (BOD) have had little or no experience in central banking. They should be replaced by the chairman of the SEC, director general of BIDS and the secretary of finance as permanent members. The BOD must be comprised of honest professionals with credible banking and financial market experience, and be free of political affiliations.

• Power to set the "bank rate" (interest rate on bank's short term borrowing from the BB), cash reserve ratio, and other policy instruments should lie with the BOD with some latitude given to the BB governor.

• The BOD should decide the pay and allowances of BB employees since the BB generates its own revenue and its operations are not funded by tax payer money.

• The rank of the governor should be raised to that of a cabinet minister given that the BB is an institution of domestic and global attention.

• The governor and the deputy

governors should be nominated by the BOD and confirmed by the relevant parliament standing committee (PSC) prior to their appointments. These are not on the job learning positions.

- The BB should report to the relevant PSC on a quarterly basis apprising the lawmakers about the state of the economy and future course of policy stances.

- The government borrowing limit of Tk 1000 crore directly from the BB is a farce, since this limit is routinely exceeded. Government should compete with business investors to borrow funds from the open market.

- Large transactions over Tk 50,000 or so should be processed through bank cheques or certified personal cheques. This will reduce sudden reserve swings (avoiding liquidity crunch) and at the same time leave a paper trail to track just where, and to whom, the money is going.

There are certain areas in which the BB, on its own accord, can kick off some initiatives. For example, alongside weekly "reverse repos," the BB should conduct "repos" on a daily basis to help stabilize banks' reserves positions and minimize erratic jumps in the "call money rate" (interest rate on inter-bank borrowing of reserves).

The market interest rates must not be interfered with (accommodating internal or external pressure) unless it is determined that stabilizing persistent swings in interest rate are desirable for stable growth. Furthermore, the BB should be the lender of last resort, called upon only by healthy banks in extreme situations. Such discriminatory treatment will encourage

new currencies have costs. Use of cheques will extend the life of paper currencies and hence reduce the cost (assuming check processing is not cost prohibitive) to the Treasury to replace damaged currencies. Any cost savings to the government means fewer deficits.

Finally, BB needs to trim non professional employees from its roster. Only the nation's most promising students of economics, finance, banking, and statistics should build their career here.

Bangladesh Bank is one of the few institutions where the ubiquitous culture of corruption has not intruded, save one hiccup about two years ago involving a counterfeit currency scandal. Nonetheless, it is an institution in which I would have loved to work if I could rewind a few years of my career.

Dr. Abdullah A. Dewan is Professor of Economics at Eastern Michigan University.

## Unhealthy healthcare



### BY THE NUMBERS

There is only one doctor for 4,043 people and one nurse for 20,000 people. Having around 38,000 beds in 700 government hospitals, the bed and population ratio stands at 1:2832. Out of a total of 4,500 unions in the country, only 1,651 unions have the community clinics, most of which are running without doctors. These figures say it all.

ANM NURUL HAQUE



services at their doorstep.

Corruption, like in all other public sector, has also spread wings in the health sector. Corruption in healthcare service delivery had not cropped up during any particular regime but was a continuous process. Years of negligence, corruption and indiscipline have hampered health services, where poor patients are utterly neglected.

The achievement in the public health sector is quite negligible despite spending of a chunk of funds over the last many years. The government launched a Tk 15,000 crore, five-year Health and Population Sector Program (HPSP) on July 1, 1998 and set up 13,000 community clinics for delivering unified healthcare services to the village people.

It is no overstatement to say that the successive governments were not serious, despite their promises to the people to provide healthcare

ning field workers. The rural people, without the means to go to towns for treatment in private clinics, rush to these community clinics. But most of the time, they return home in deep frustration as there are no doctors to attend them.

Upazila health complexes, the smaller versions of state run hospitals, set up for providing healthcare services to the rural people, are also in pitiful conditions.

A total of 460 health complexes were contracted at huge costs and the government had to take loans from the donors for this purpose. The newspaper reports on the state of affairs in these health complexes revealed sad spectacles of corruption and indiscipline in varying degrees.

It is alleged quite frequently that the doctors are not available in these health complexes. Luckily by chance, if they are, then the

required medicine is sure to be short of supply and the basic diagnostic tools to be out of order.

The lists of malpractices are huge and appropriate measures need to be taken to put these health complexes on the right operational track.

The recent statistics supplied by the Bangladesh Institute of Development Studies (BIDS) also exhibits an unhealthy health profile. Only 29 percent people in Bangladesh receive some kind of state healthcare services, through the per capita expenses in healthcare is \$12.

There is only one doctor for 4,043 people and one nurse for 20,000 people. Having around 38,000 beds in 700 government hospitals, the bed and population ratio stands at 1:2832.

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which are running without doctors. These figures say it all.

As for the positive sides, the country has made some advancement in surgical and diagnostic fields. But very few people are fortunate enough to avail of the modern and sophisticated healthcare services rendered by the private hospitals at inordinate costs.

The affluent people, who can afford easily, take their loved ones to various countries for treatment, the most frequent destinations being India, Bangkok, and Singapore.

It is alleged frequently that the doctors in Bangladesh are becoming devoid of values and professional ethics. They are also giving wrong treatment to their patients, sometimes causing deaths.

According to media reports, some 14 people died, allegedly because of wrong treatment and doctor negligence between January 2005 and June 2006. This is indeed making people induced to go abroad for better treatment.

Dhaka has seen alarming growth of private clinics and diagnostic centers over the past several years. New clinics and diagnostic centers have come up like mushrooms in every major roads and areas.

Most of these clinics have no

competent physicians and specialists while the diagnostic centers lack technicians. Unreliable pathological reports and non-competent physicians have set off a chain of wrong medication.

Clinics and diagnostic centers have to comply with a set of rules laid down in the 1982 clinic ordinance for qualifying to operate.

There are 368 private clinics and hospitals in Dhaka and 844 nationwide, many of which have been operating without approval and cheating the helpless patients.

But the Directorate of Health Services, the competent authority to mend the erring clinics, has chosen to pretend that nothing is going wrong with the healthcare system.

Nobel laureate Prof. Amartya Sen who unveiled "The State of Health in Bangladesh Report 2006" in the city on December 26, made the observation that "privatization limits the majority of people's access to basic public healthcare services."

The report revealed that 80 percent of the affluent people avail the services of private hospitals while no one from the poor segment ever availed private healthcare services.

Army-led joint forces are seizing

But "Health for All" as articulated by WHO in 1977 still remains a pipe-dream for us.

Bangladesh falls much behind both in development and delivery of healthcare services compared to other developing countries.</