

## It's not the time to tinker with new ideas



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**I**DEAS are pouring forth as to what form of government is best for the country. We are also hearing people talk about the imperatives of enforcing a balance between the president and the prime minister. Then we have a few others articulating the need to achieve a balanced government.

In the midst of all these, many see unlimited merits in a national government, which they feel is the only arrangement capable of tiding over the current situation. Some are taking this opportunity to depict the National Security Council as a phantom that, if setup, will bring only evil for the country - that it might affect democracy adversely.

And very recently, the chief of army staff (CAS) has expressed the need of such a system that would prevent misuse of power -- an expectation that is fairly representative of the wishes of the large majority of Bangladeshis. However, there is one point that is normally overlooked when one talks about misuse or abuse of power. And which is, there is no cognisable correlation between the systems of

government that we chose for ourselves and the exercise of power by those we elect to run that system.

And why are so many different ideas being bandied about by different quarters? This, I feel, is a reflection of uncertainty in the minds of many, and the welter of thoughts is an attempt on the part of those who are capable of thinking but are not quite in a position to do, to provide food for thought, one presumes, for those who can do but do not quite have the time to think.

The uncertainty stems from the experience of the past -- an experience that one would not like to suffer again. The hope is for a reformed democratic system, and the rider is that the change must be brought about without unnecessary delay.

We shall address the idea of national government and balance of power, and so forth, later. As for now, I would like to deal with a very recent article in a Bangla daily by an eminent professor for whom I have the deepest admiration because of his forthrightness and

candour. I have been immensely fascinated by the lengthy piece. He has taken the trouble of airing his views on the type of government Bangladesh should have.

Interestingly, his main preoccupation is neither politics nor economics, but one presumes, like all other countrymen of his, he has been deeply affected by both, and by the failure of the current system (parliamentary) to deliver. To him the parliamentary system is the second best option, and in his arguments he withholds no merit of the presidential system in his attempt to convince the readers that the country should better adopt it, if it wants to benefit from the boon of democracy.

It is worth analysing his views. The professor sounds very confident when he says that a presidential system would have spared the dismal situation that we are now facing. We have slavishly tried to replicate the British system, reflecting the psychological servility that still drives our thoughts, according to him. One would like to ask, if the system could deliver for

Britain, why has it failed us? The fault, therefore, lies not in the system itself but in the way we operate it. Therefore, if we do not improve the quality of the operators that will run the system, no matter what the system is, we will never benefit from it.

The author suggests that intolerant disposition of the Bengalees, their weak physique and the racial and ethnological makeup, do not dispose them well towards a parliamentary form of government. A flawed argument, I feel, since these very characteristics of the Bengalees would be equally dysfunctional in the case of a presidential form of government too.

The professor also suggests that a presidential form is more competent (he does not explain how) to handle disorderly situations better, which to me appears to be an extraordinary observation. One wonders whether his remarks occur from his normative experience, because I find it hard to draw a link between the systems of government in a democratic order and the ability to handle turmoil. I

suggest that it is very much the leadership and the institutions that play the vital role in tackling situations, irrespective of the type of government.

What is disappointing is the impression he conveys about the incapability of Bengalees to provide collective wisdom in the running of the state, and because of the weak socio-political structure, an organisation run by a CEO, rather than by a General Secretary, according to the metaphor he uses for a presidential and parliamentary form respectively, would serve us best.

Surely, the professor cannot be unaware of the fact that even a CEO these days goes by the inputs provided by the collective wisdom from various stations of his unit, which, insofar as it relates to politics is called representative and participatory democracy.

I fear that instead of preventing democracy becoming an autocratic rule his suggestions would further enhance the scope of emergence of elected autocrats.

We have had a presidential system before, but that was the time of military and pseudo-military rule. A presidential system has many trappings and the frills are very attractive. The BNP, I have it on very dependable source, had opted for the parliamentary system only after the party leader and prospective prime minister was assured that she would be provided with all the paraphernalia as the PM that a president is provided with. That is why certain military setups were reorganised in a way that would, for example, allow the

PM the services of the PGR, something that is reserved exclusively for the sovereign i.e. the president of Bangladesh.

If the parliamentary system has failed to deliver, it is not the system but those who ran it that must take the blame. It is the mindset that drives the leader, and no matter what system is in vogue, it will fail if the intention is dishonest and the leader is incompetent.

We all want a system that would be balanced and prevent misuse of power. Such a system will have to evolve from the ones we have in place now. And that would require the participation of the political parties too. More importantly, the system we want to have can only be determined by the elected representatives of the people. Let them seek the people's mandate on whatever changes they want to bring about. Only then would the exercise assume credibility and have greater chances of success, rather than one that is imposed.

It is not the time to tinker with new ideas. We must also guard against situations that might cause a political vacuum which has not been foreseen and cannot be addressed by the provisions of the Constitution. A political vacuum can be tackled only by stop-gap measures. This certainly cannot be good for democracy in Bangladesh.

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## Consumer rights protection

Time now for laws to be enacted and implemented

**D**EMANDS for an enactment of consumer rights protection law have been made repeatedly over the last few years. Organisations such as the Consumers Association of Bangladesh have endlessly stressed the need for measures to shield people from the arbitrariness of the market and indeed from the whimsical attitudes all too often demonstrated by those who control supplies and sales of essential commodities. The time has surely arrived for these demands to take the shape of a concerted social movement in order to bring Bangladesh in line with all the consumer protection rights practised elsewhere in the world.

The fact that no priority has been given to consumer rights in the thirty seven years since the emergence of Bangladesh testifies to the short shrift that citizens are often given on issues concerning their daily lives. Meanwhile, as existing conditions so amply indicate, such helplessness has led to a point where they must be helped to get their money's worth. The irony is that while a good number of people in responsible government positions have regularly tried to explain away price rises (and some of these explanations have been outlandish as well as insensitive), hardly anyone among them has ever focused on the protection of rights that citizens are entitled to in the market. The result has been predictable. People are sold medicines beyond the sell-by date. More startlingly, the frequency and audacity with which medicine prices are raised at the chemists' leaves little question in the public mind about what is going on. One can now extend such thoughts to other areas. Food items continue to go beyond the grasp of people. Add to that the factor of adulteration and the questionable use of weights and measures, all geared to dupe the public. Regarding fares on trains, buses and launches on religious festivals, the sheer audacity with which ticket prices are raised to horrific heights is hard evidence of the travails citizens are subjected to on a regular, organised basis.

It is against such a background that consumer rights protection laws assume high significance. When the plain fact is that such laws have been in existence in countries around us -- India, Pakistan, Sri Lanka, Thailand, Indonesia and Malaysia -- there is no logical as well as moral reason for Bangladesh to remain deprived of a similar law to protect its citizens from the predatory instincts of elements looking for quick and dubious profits.

## Medical technicians' training

An appropriate authority should authorise the institutes

**A** report published in this newspaper yesterday shed ample light on the anomalies associated with the running of institutes of health technology in the country. A good number of them, 46 to be precise, are operating with approval from the Technical Education Board (TEB), although these should have obtained permission to operate from the health and family welfare ministry.

It seems a serious lack of coordination existed between the health ministry and the TEB on this particular issue otherwise how an inappropriate authority could step in and hold the reins of approval. And it has already created a grave problem for the students of the TEB-approved institutes of health technology, as an official of the health ministry has stated that they would not attach any value to the certificates issued by the "illegally" run institutes. And all this is happening in a country with an acute shortage of medical technicians! Whereas ideally we should have had 4.29 lakh medical technologists, we have only 10653 of them.

The issue of producing an adequate number of medical technicians with a view to providing quality medicare services to the people should come out of the bureaucratic tangle. Is training for medical technicians such a trivial issue that it could be handled by any inappropriate organisation? Surely, this reflected on the blase attitude of the authorities to the very important role that the medical technicians perform in a modern hospital. It's not always enough to detect a gross irregularity; it has to be detected well before serious damage is done and remedied accordingly.

We urge the government to look into the matter urgently and remove the anomalies once and for all.

## US recession and global woes

### NO NONSENSE

**US consumers, living beyond their means for many years now, must sacrifice. Many are defaulting on their credit card payments and are unable to pay their other bills. This will force a cut-down in personal expenditures, slowing the aggregate demand. President Bush's proposed \$150 billion stimulus package is designed to reach these financially derailed consumers as soon as possible.**



ABDULLAH A DEWANI

**A**MERICANS are known to spend money before they receive it. For example, I bought the ticket for my Bangladesh trip within hours after President George Bush's January 18 announcement of a \$150 billion stimulus package to revamp the slumping economy, which promises a possible \$1600 one-time tax rebate per family making less than \$200,000 annually.

Of course, I charged my credit card. Why shouldn't I? That's the American way -- one that made America the world's biggest debtor nation, piling up the largest trade deficits, budget deficits, and consumer credit card debts to nearly untenable levels, which experts take to be the precursors to the record decline in the value of the dollar against all major currencies, the demise of the US housing market and the stock market threatening to take the US economy along. The final blow apparently came from the sub-prime mortgage (SPM) meltdown, triggering the ongoing and progressive economic slowdown.

Sub-prime mortgage (SPM) is a

type of real estate financing that is normally made out to borrowers with low credit ratings, who fail to qualify for a conventional mortgage. These borrowers have a larger-than-average risk of defaulting; interest rates on SPMs are often higher than conventional mortgages in order to compensate for the additional higher risk.

Paradoxically, these risky borrowers, burdened with higher mortgage payments, became even riskier at higher interest mortgages, culminating in defaults and foreclosures. The casualties are the numerous US banks stricken with multi-billion dollar SPM losses.

Citigroup alone had written off \$18.1 billion in mortgage investment losses. HSBC Holdings, the nation's largest sub-prime lender, took a \$10.6 billion hit primarily from its SPMs. Merrill Lynch wrote off a shocking \$9.8 billion. That takes the total reported hemorrhaging of the mighty Wall Street finance houses from the mortgage-market disarray to the tune of \$100 billion and ticking.

Another predicament that will further exacerbate the banking sector is the insurance claims by investors against losses and bankruptcies in

their share portfolios.

All this debt-related mess is now the topic of postmortems and analyses on financial TV channels and magazines. The issues that are debated include: Is the US economy sliding into a recession? What effects, if any, such a recession would entail globally? What resources are available to avert a potential global recession?

Some observers see a US recession as inevitable, while others have started feeling it already. Some of the issues and trends being tracked on the economy's radar screen, and affecting the US economy, are also seen tiptoeing around the world.

Globally influential investment-banking and securities company Goldman Sachs (GS) recently predicted that the US economy would slide into recession in 2008, prompting the Federal Reserve (the US Central Bank) to slice its benchmark lending rates (federal funds rate -- the equivalent of call money rate of Bangladesh Bank) to 2.5% from its current 4.25% by the third quarter.

GS sees the contraction of US real GDP by 1% on an annualised basis in both the second and third

quarters, with an overall growth of 0.8% for 2008. This slowing down of the economy is expected to push unemployment rate to 6.5% in 2009 from the current 5%.

The slowing down of US consumer spending threatens developing countries, like Bangladesh, which export consumer goods to the US. Experts predict that the fallout of the SPM meltdown in the US will continue to be felt worldwide for a long time.

In the UK, the daily Independent reports that debt experts "are predicting a record number of personal insolvencies (bankruptcies) this year. The supply of cheap and easy credit that has revived the economy for years is being turned off as a result of the SML crisis in the US. Fewer mortgages are being granted to people in Britain with poor credit records."

If a US recession were to infect the rest of Europe, it won't be felt right away. Most observers, instead of seeing a recession, predict a slow growth -- employment opportunities in Europe are not yet exhausted so consumption spending won't come down in a hard landing.

The risk is the strong Euro, which will shrink European exports

to the US. Analysts argue that strong growth in China, India, and Brazil is expected to partially recompense for a slowdown in exports to the US.

Although, domestic consumption in these high growth economies doesn't seem to be slowing down any time soon, they're not recession immune; if the US economy sprawls and takes Japan along, they could lose their steam and take a hit -- a widespread premonition that worries the World Bank.

The WB report cautions that the weaker dollar, increasing financial market volatilities, and the prospect of a US recession aren't without risk of a soft-landing scenario for the global economy.

The WB Global Economic Prospects 2008, published on January 8, predicts that the global economy is expected to grow at a modest 3.3% rate this year, down from 3.6% in 2007 and 3.9% in 2006. The projected growth rate of 3.3% could worsen if the US slips into recession.

With the US economy slumping into a recession, the possibility of a global recession seems real, given that the \$14 trillion US economy accounts for nearly 30 percent of global GDP with its estimated \$57 trillion (\$57,000,000,000,000) financial system.

The damage is done. So what are the prescriptions for averting a hard landing scenario on the domestic economic front? Obviously, waging a war with Iran must wait. President Bush's 10-day Middle visit to the Kingdoms and Sheikdoms may have had a softening effect on crude oil prices,

which came down to \$90 a barrel. But the world needs cheaper crude oil.

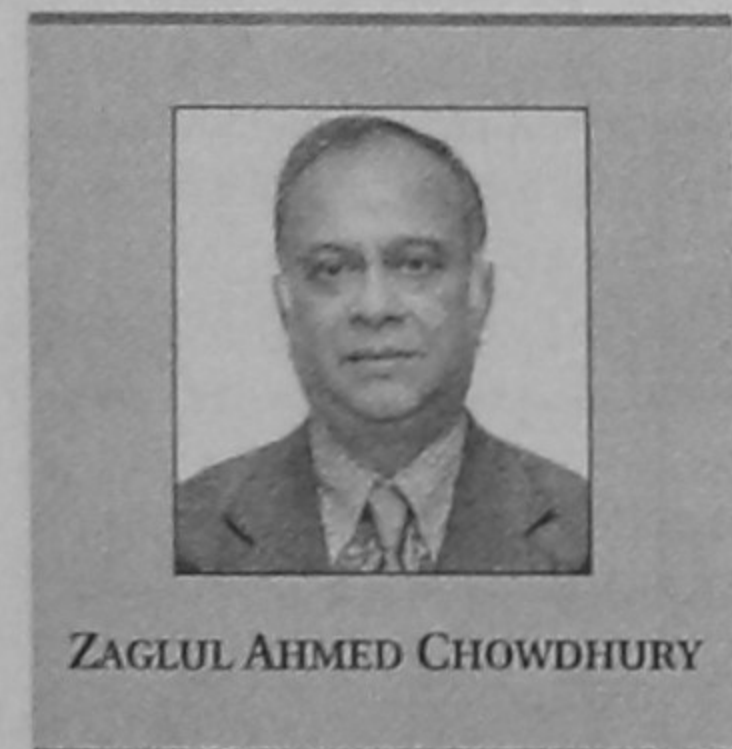
US consumers, living beyond their means for many years now, must sacrifice. Many are defaulting on their credit card payments and are unable to pay their other bills. This will force a cut-down in personal expenditures, slowing the aggregate demand. President Bush's proposed \$150 billion stimulus package is designed to reach these financially derailed consumers as soon as possible.

Today, January 22, the Fed has cut its benchmark rate by 0.75% (or 75 basis points) to 3.50%. Since inflation expectation isn't threatening the US economy, as Federal Reserve Chairman Chairman Ben Bernanke argues, the interest rate cuts and the proposed fiscal stimulus package are expected to make the recession less painful. Even after such a huge rate cut -- since such big cut since 1984, the stock market volatility was unsettling and every one was seen tightening seat belts to face an inevitable recession.

Bangladesh economy seems to be experiencing a different phenomenon -- all signs are consistent with stagflation (declining growth accompanied by double digit inflation and an unemployment rate, some say, over 30% or so) -- certainly not a recession. That analysis will appear in my next week's piece.

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## What will the new year bring?



ZAGLUL AHMED CHOWDHURY

**A**S the world steps into the new-year, speculations abound all over about how things will shape up politically, economically, and otherwise on a global scale. Certainly, 2007 had been a year of many events that were important for many countries in both the positive and the negative directions.

As a sequel to all these developments, the new-year, too, will witness manifold repercussions that will remain subjects of debate, discussion and analysis throughout 2008. Besides, some events -- seen as extra-ordinarily important -- will dominate the global stage this year and, not surprisingly, the presidential election of the United States is at the top of the list. Indeed, the countdown of the race for the exalted position of the world's only super-

## MATTERS AROUND US

**Nearer home, developments in Pakistan, following the tragic assassination of former premier and PPP leader Benazir Bhutto, will be interesting for the topsy-turvy politics of that country, while elections and related matters in some other South Asian nations will also be subjects of immense interest regionally and internationally. On the whole, 2008, in all probability, will be a year of many events that generate both tension and acclamation. Analysts are keeping their fingers crossed on the eventual outcome of these important issues.**

power has already begun hogging expected prominence in the international media.

Undeniably, the election remains the cynosure of all eyes for obvious reasons. Additionally, the conflicts that continue to threaten world peace and stability may acquire new dimensions in the new year, which is another area of interest and curiosity for the observers of the international scenario. Furthermore, internal events of several nations, like the coming national elections in Pakistan, Nepal and Bangladesh, are also events that merit attention.

Another South Asian country, India, the world's largest democracy, may also witness national polls by the year-end although the balloting is scheduled for next year. The ruling United Progressive Alliance

(UPA) alliance may consider advancing the polls, as was done by the previous National Democratic Alliance (NDA) government. In the event of an early election in India, the South Asia scene promises to be more interesting.

Definitely, it is the American elections that are the main subject of discussions, not only in that country but also across the world, for understandable factors. Gone are the days when the United States used to be one of two superpowers, as the collapse of the former communist giant Soviet Union changed the global power balance and, consequently, America emerged as the only great power -- which is even described as a "Mega Power."

The president of the US is a chief executive with enormous power

and, evidently, this position influences global events in many ways. Washington seeks to call the shots politically, militarily, and economically because it is the strongest nation on earth. The president, conscious of the considerable clout, generally spares no effort to make others know about the power and significance of the office.

However, it also varies from individual to individual, and there is hardly any dispute over the fact that incumbent George Bush is the best example of one who likes to apply the power. His eight year era -- covering two terms -- is coming to a close, but his is the period that will remain for discussion and debate for a long time because the world experienced many major developments mainly due to his policy that

jolted contemporary world history.

The race for the White House is very much noticeable now, as the hopefuls have swung into their desperate bid to adorn the highest office of the world's strongest nation. The tension is very much palpable, and competition at the moment is for winning the party nominations -- an essential ingredient of the elections procedure.

The two parties -- President Bush's Republican and opposition Democrat -- are out to choose their nominees as the primaries in different states are taking place in the midst of the grueling process. As the picture emerges, Senator Hillary Clinton is making a strong effort to win the Democrat nomination and then the presidency to become first woman chief executive in American history. No less serious is Senator Barack Obama, who could also become the first black president, while some others are also in the fray.

In the Republican camp, quite a few are there for the nominations. As things stand now, Democrat Hillary Clinton and Republican John McCain look toward the next battle for an unpredictable White House race after scoring tough wins in the primaries in the south and the west. However, the process contin-

ues, and it is uncertain who will finally be the nominees for the presidency. There are also candidates outside the two major parties.

While the American election is a routine event, coming every four years and arousing expected interest all over the world, this time it has a different meaning because of a variety of reasons. The global political landscape that has undergone a drastic change in the Bush period is poised for a reversal or changes, at least on the Iraq crisis and some other issues, if a Democrat takes the White House.

Obama is fierce in his criticism of the presence of American troops in Iraq while Hillary, who initially supported the US action in Iraq, is now calling for troops withdrawal sensing the American public opinion. The US is paying a heavy price economically and militarily in Iraq, and the people in that country wonder what they have achieved by the invasion and involvement in the Arab country. Other issues surrounding the world scenario can also witness changes in case a Democrat goes to the White House, the chances of which seem bright after a Bush era that is of late being largely characterised as unpopular mainly because of administration's faux pas in foreign policy high-

lighted by the Iraq war.

True, the stand-off with Iran on the nuclear issue, the Afghan situation, crisis in the Korean Peninsula and, importantly, the Middle East crisis may not experience much change with a Democrat president; nevertheless some changes will be discernible. If the Republicans, rather unexpectedly, succeed in retaining the presidency, there could still be a change in approach -- may not be qualitatively -- when Bush is not there at the helm.

A president's own style of functioning also matters in developing and executing policies. In any case, the US presidential election is the single most talked-about event scheduled for the current year.

The world will see during 2008 whether communist legend, aging Fidel Castro of Cuba remains in the center stage of his country and the world communist movement. Falling health has forced him to take a back seat, and it is not clear if he will stage a comeback. Another world leader, President Vladimir Putin of the now-democratic Russian federation, chalks out his strategy to remain on the stage in his country.

The coming election will show whether he continues to be powerful from the backstage or evolves a

mechanism to remain at the helm. New leaders of other key nations like Britain and France will be under strict scrutiny of their people after the premature exit of Tony Blair and a successful ending of tenure by Jacques Chirac. China's importance, both economically and politically, is on the increase, and this will also be closely watched in the new year.

Last but not the least, whether the Tehran-Washington rift will be further exacerbated, snowballing into a major crisis, is also an important area of intense debates. The world is divided on whether President Bush would finally opt for military steps against Iran.

Nearer home, developments in Pakistan, following the tragic assassination of former premier and PPP leader Benazir Bhutto, will be interesting for the topsy-turvy politics of that country, while elections and related matters in some other South Asian nations will also be subjects of immense interest regionally and internationally. On the whole, 2008, in all probability, will be a year of many events that generate both tension and acclamation. Analysts are keeping their fingers crossed on the eventual outcome of these important issues.

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