

# Food price, food security and market economy

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BA NGLADESH, the country (state) which contemplated at her birth in 1971 to control almost all aspects of the nation's economy, has been surprisingly overwhelmed by the doctrine of "laissez faire" of market economy. So much so, that the government seems to have drifted from the position of a manager of the economy to a mere spectator. However, this level of romance with the market economy results not only from the prodding of the donors (World Bank, ADB, EUS and so on) but also from the wrong perception about the working of the modern market economy and misplaced emphasis on national priorities at the policy level.

In modern times, most of the mankind lives within the boundary of nation-states. The security of each nation-state is of utmost importance to respective state. The security of a state may be jeopardized not only by transgression against its national borders; it may be endangered from self-implosion resulting from internal chaos, disorder and anarchy. One of the most prime and widely recognized reasons for internal disorder is the food supply and food price-hike within the boundary of the nation states.

The USA, EU countries and Japan, the most ardent advocates of an adherents to market economy are very much aware of such a threat. So these countries, in order to ensure smooth and secured supply of food provide protection to agriculture. We know that the EU countries and Japan give protection to agriculture sector by imposing steep duty on agricultural imports, particularly on staple food item, while the USA provides her farmers with lavish financial support in order to keep them internationally competitive. And these countries provide their farmers economic support not out of fancy for the farmers, but to ensure a stable and uninterrupted supply of food which is

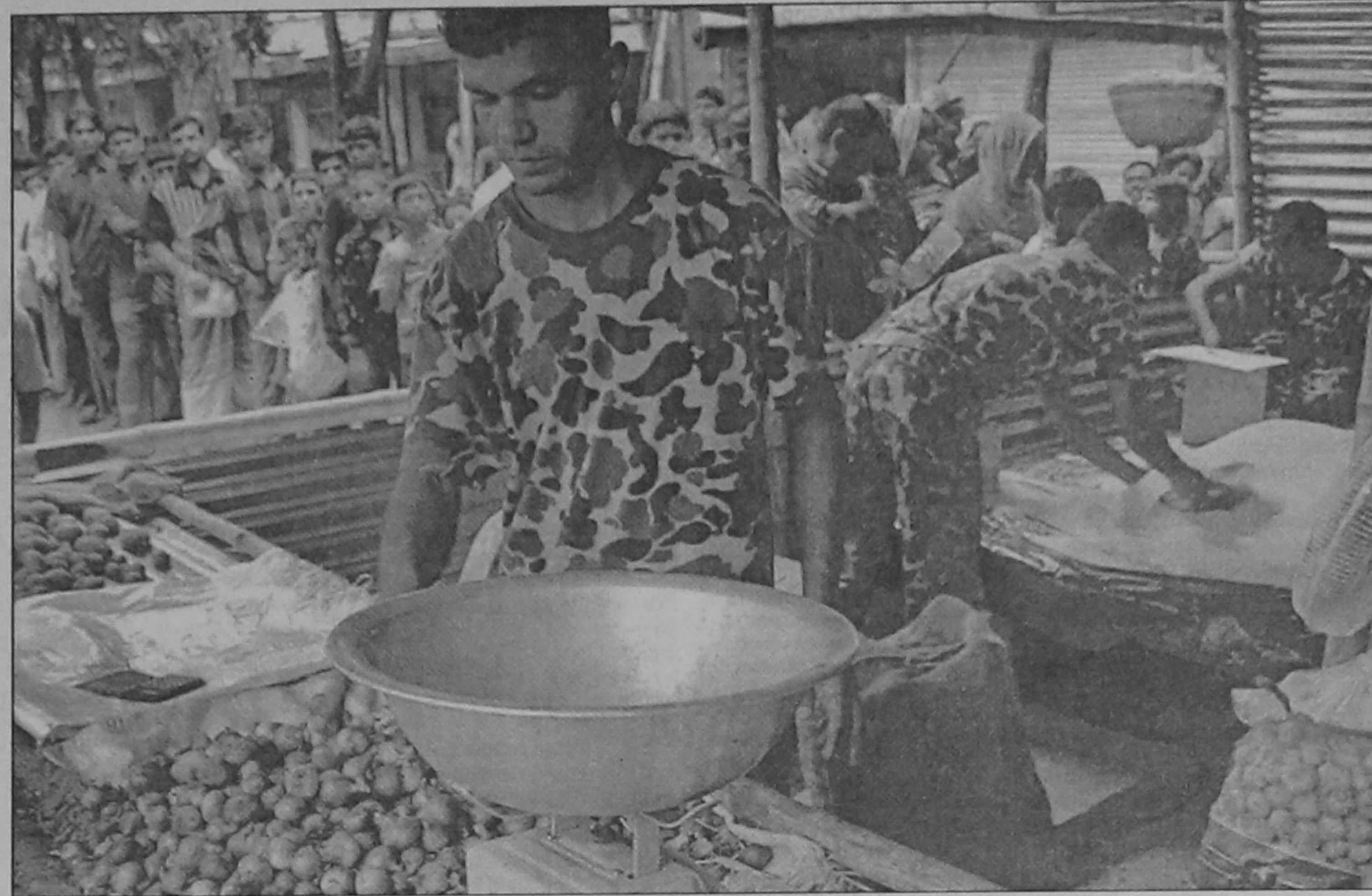
one of the cornerstones of their respective national policy.

It may be recalled here that one of the "sticking points" in implementing the Doha Development Agenda of WTO has been the stubbornness on the part of these countries in global negotiation against giving up the policy of providing economic support to their domestic agriculture on the plea of national food security. Besides, many other countries of the world give direct price-subsidy in order to keep the food prices within the reach of the common citizens. We may make mention here of the riots we have seen in various countries of the world (Egypt, Romania, Turkey) in the last century triggered by the price-hike of staple food.

Bangladesh was a chronic food-deficit country in the past and fortunately has turned, lately, near self-sufficient in food production. Because of deficiency in food production, Bangladesh inherited a public distribution system of staple food since the British colonial time. During the Pakistan period, a system of public food procurement was also introduced. Both these systems of public food procurement and food distribution system (through ration-shop) were in vogue till the end of the Eighties. During the Nineties, the public food distribution system was scrapped mainly under the pressure of foreign donors; and food-for-works, VGF card and public procurement of food from internal market were being run rather half heartedly and consequently 'half-successfully' -- never setting and meeting any strictly and judiciously fixed target in respect of public food procurement. Consequently our Food Ministry was rather spending idle time (although the people working with the ministry would hardly admit it) other than making some yearly projection of domestic food production and so.

Now that food prices have soared so much that the situa-

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Fair-price shops run by security personnel: Some ease to consumers

tion is on the verge of going out of control, our tired (!) Adviser of food was saying that the government has nothing to do to stem the food price-hike (presumably, because ours is a market economy) and our Finance Adviser is claiming that the food price-hike resulted from the lack of coordination between demand and supply of food and blaming the "profit greed" of the rice traders for landing the nation into distress (The Daily Star, 06.01.2008).

While it is a well known lesson of microeconomics that the price of a commodity changes following changes in its demand and supply, blaming the profit greed of the rice traders for the current crisis of Bangladesh and

making them the 'villains' for all our woes will lead us nowhere. We know that in a market economy, the traders are important players and this profit motive is the driving force behind all entrepreneurial initiatives. The difference between 'profit-motive' and 'profit-greed' is very thin. In a market economy, speculation/anticipation is the normal art of the game. In the stock market, international currency market, speculation is a well known term. In commodity market also, the clever businessmen/traders may indulge in speculation.

While the speculators in the market for strategically important commodity like food item

can push prices up by creating artificial scarcity in order to reap windfall profit, it is also true that price rise is a normal market response to perceived gap between demand and supply of a commodity. The greater is the gap, the higher is the rise in price of the commodity. Unfortunately our national food policy is unable to address both of these eventualities. Below I have suggested one long term and one short term measure which should be made the cornerstone of our national food policy in order to avert the food price-hike like the present one in Bangladesh.

### Long term antidote

Our present public food pro-

urement system, always inadequate in target and often missing even that inadequate target, neither works in mitigating real shortfall in food supply nor can it work as a 'hedge' against the unscrupulous speculators in the food market. So I propose that our long term policy should include building up of a permanent national food reserve consisting of roughly 30 to 40 lakh tonnes of food grains (enough to carry the country for one season in case of crop-failure due to natural calamity like flood, cyclone, drought and so). This national food reserve need not be built up in one year. It may be procured over the years both from internal and external

sources. I do not want here to go into details of building up and maintaining such a national reserve of food grains.

But economists can always device ways and means, after careful consideration of all available opportunities, to build up and maintain such a reserve at minimum costs. For a practical example, we may make mention here of a similar national reserve of another strategic commodity, energy, built and maintained by the USA in order to withstand the disruption of energy supply from the Middle East for a couple of years at a stretch. In the same fashion, if we have a national reserve of food grains in our country, large enough to feed the people roughly for a season, it will work as a buffer against supply shortages resulting from crop-failure. At the same time, such a reserve of food grains at the disposal of the government will be an effective deterrent against unwanted manipulation of market prices of food grains by the speculators.

Since the speculators will know for sure that government will be ready to off-load its reserve partially or fully, as necessary, to prevent such manipulation of food prices, they will hardly contemplate indulging in such speculation. For example, we may mention here that a large 'forex' reserve at the disposal of Bangladesh Bank effectively prevents the manipulation of foreign exchange rate in our domestic market.

### Short-run remedy

What is the short-run or immediate remedy for the current food-crisis in Bangladesh? The common-sense answer is what is everybody suggesting -- government should try to procure enough food from internal/ external sources as urgently as possible and do all it can to make food available to the poorest section of the society immediately. Here I want to suggest a particular measure though, this measure, I think, will not be necessary at least for now. But should a situation like the present one arise in future with a turn for worse, should the rice price hit Tk 50/kg (say), the

government may contemplate taking over the wholesale trade of food grains as an immediate step. This is a drastic measure and I, myself, do not like to encourage such a step. But if the situation turns for worse, government may have to contemplate taking even harsher measure.

But if the government of the country ever has to take over the wholesale trade of food grain, as suggested above, I would like to emphasize that government only takes over the custody of food grain stocks at the wholesale level -- not confiscate it from the owners. The concerned food grain dealers should be allowed to make their normal sales-transactions at prices fixed by the government.

This kind of measure, though should be taken as a last resort, is expected to cause minimum disruption in normal transactions of the market economy and should also be the cause of minimum despair and panic among the businessmen. I, myself, am somewhat ambivalent about suggesting such a measure lest it creates panic among the business community. But, I think, it is justified to make mention of such a measure for two reasons: one, the knowledge of such an option at the policy-level will prevent the policy-makers from adopting even harsher and more disruptive actions. Two, the knowledge that such a drastic measure may be adopted by the government if the situation goes out of control, would impose a restraining effect on the profit-seeking speculators.

Finally, what is the morale of this story? The morale is that if you decide to swim in the sea, you have to learn about the behaviour of sharks and tricks to counter them. Adam Smith, the father of the laissez faire economy, was particularly candid about the harmful behaviour of these "sharks" while propagating the idea of free competition and market economy.

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# Community policing: Sharing responsibility with people

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BA NGLADESH has gone seriously to bring into full-scale function of an institution called Community Policing. In this criminal justice system of Bangladesh, police has been vested with responsibility for prevention and detection of crimes and maintenance of law and order, with utmost dedication, honesty, benevolence, regard for law and rights of the citizens without any sense of arrogance of power and repression. It cannot be denied that the walls of distance between police and citizens have become massive, the trust and the confidence of citizens have been on the wane because of the deficit of police performances in dealing with social and political disorder, terrorism, extortion, armed gangsterism, bomb blasts, murder for gain, gruesome rape, persecution of women etc.

In this situation, a crash programme to earn trust and confidence of the people through fraternity of common action to secure life, property and rights from a common platform is a strategy of action in the right direction. It is expected that policy will score an impressive success in preventing and detecting crimes, and in settling socio-political disputes through coordinated efforts ingrained in the strategy of community policing functional ethos. Modern criminologists while dealing with policing practices have taken interest in expanding the areas of police-citizen coordination in combating socio-political malaise. In the Indian sub-continent context, we may take note of the ancient village and town councils which exercised law and order and judicial power of the modern state to a great extent. As a replica of the past, the institution of rural police exercises under a Union Parishad a

chart of functions which relate to law and order and other important rural problems. This institution is a useful adjunct to constitute a link of thana officers with villages through the hajira system of rural police in the thana. This is one of the reasons why a superior police officer is expected to attend thana hajira of rural police who furnish information about crimes, criminals and disputes for action.

The subject of Community Policing has been largely studied in the United Kingdom to highlight the nature of social control carried on in ancient primitive society, through the family or group of families. In ancient Anglo-Saxon law, groups of families owed duty for keeping peace to their headman who in turn owed in turn owed allegiance to the King. During the reign of King Alfred, the primary responsibility for maintenance of King's peace fell upon each locality as a social obligation or collective security.

This benign institution became the arm of the ruling totalitarian Community Policing for social, economic and political control. The growth of the Red Sentinels in the Chinese factories as guards and controllers of discipline and political ideology on the factory floor in 1960's can hardly be overlooked. Where official policing is weak, unofficial Community Policing may allow various power groups to arise in localities to exert an unofficial control. This may be a benign or a malign control. Malign control is seen where power groups get their ascendancy through violence or intimidation. This may happen in a democracy where criminal sub-culture pervades. Local social control of this kind may flourish in spite of the existence of official police. Modern Community Policing

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Let them be friends of people, not a force of coercion.

functions where all elements in a community, both official and unofficial, conceive of the common good and combine to produce social climate and an environment conducive to good order and happiness of all those living within it. It leaves legal social control to the police and concentrates on benevolent social measures for its success. In a Community Policing system,

which seeks to strengthen or create such a phenomenon through fraternity, community should be seen as a group of people who live in common residential community and may contain animosity, even hatred. Thus, where a community exists, it is to be strengthened; where it does not exist, it has to be created. The aim of a modern

Community Policing should be based on consent and understanding of common good, the creation of a community of neighbourhood free from fear and uncontrolled delinquency and politics and crime control would be its primary aim. In respecting the dignity of the individuals, nobody should be regarded as unworthy of its concern. On the other hand, it

should have due regard for the individuality and freedom of all and should not be motivated for narrow political or sectarian causes. To achieve the aims, it should involve all statutory bodies and agencies whose work in any way affects the quality of community life, so far as control of crime and delinquency is concerned. The common interest lies in the creation of lower

social tensions through a more wholesome environment. The statutory agencies should then come together with the voluntary bodies whose social aims bear relevance, and with individuals whose concern is to represent the residents of the community.

It will appear from the above analysis that Community Policing is not anything new and that it is amenable to a variety of objectives and purposes, benign and malign. Bangladesh Police would do well to exercise due care in practising community policing lest it should not degenerate into a sort of any political core.

In Bangladesh, the rhythms of life being highly divisive politically and economically, we can hardly see common ways of thinking, working and living to crystallize into divergent economic, political and social conflicts.

We are now at the threshold of a wave which are rocking our economy, cleansing our political system, challenging the earlier power relationships. This wave has already taken up most of us to a new code of behaviour purported to democratic cult of life and a new frame of values. In this revolutionary direction of life the basic political problem is: who will shape the future order in place of political skirmishes, being imbibed by the problems of food, energy, population, poverty to gear up production forgetting the earlier internal political battle lines.

It cannot be denied that the industrial framework of our backward society is being shattered by the gigantic advance of technology with its concomitant law and order problems which Bangladesh Police is yet to resolve all by itself, when the problem of food energy from coal, gas, and oil from irreplaceable fossil fuel has gripped the nation. In the new society, the

old family is burdened with elderly relatives, the sick, the handicapped and a large brood of children. The family structure has been torn apart by floods and migrations to cities. A sort of a nuclear family of father/mother and a few children is the model in the new fabric of society where the olden perception of solid community life has largely been shattered so much, so that life in the countryside does not have a community sense of the earlier days.

Like our forefathers we cannot rest happy blaming foreign and native rulers for our ignorance, poverty, disease and squalor etc. We cannot also think of peace-keeping by battle-power weapons and hatred and security to be enforced by weapons and oppression and suppression. Our police is gradually facing problems for solution of which police must move to the people to coordinate efforts to combat all odds in store. The mass of the people are versatile forces to act as friends of the police if community policing is organized in its pristine glory and format after careful exercise of vision to ensure resolute overtones of co-operation in fighting social menaces at the grassroots. The fundamental principle under which community policing is important centres round the doctrine that the political power of rulers grows for public benefit not out of the barrels of a gun but out of the trust and confidence and co-operation of the mass of the people at the grassroots. So, for stable peace, police must act upon the principle of popular co-operation and share responsibility of ensuring peace with the mass of the people.

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