

English medium schools prove their worth

Impelling need for rational policy

EVERY year as we bring into national focus the outstanding 'O' and 'A' level results of our children, we rejoice in the heights that sons and daughters of the soil are scaling in a competitive world despite the limitations at home. The sheer brilliance of their achievement comes through the scorecard: 640 students of 'O' level achieved six or more As and 243 'A' level students scored a minimum of three As. To top it off, 55 'O' and 'A' level students top-scored in their subjects on a global basis.

The critics of English medium schools are apt to say that they are elitist while the proponents see the merit of pursuing the courses that better equip students to pursue higher studies abroad. We are for a realistic and rational approach to the whole issue. The elitist label no longer holds good as it is used to. Local cultural and educational ingredients are being integrated into the English medium curriculum. Secondly, Bangla is being taught in these schools. There is a vast scope though to be more inclusive of local contents that would instill greater attachment to the country. The English taught in Bengali-medium schools and Bengali taught in English-medium schools should be of comparable standards, neither language being given a short shrift.

Presumably, on account of their being 'elitist', they are being forced to pay Vat. Why this discrimination? Of course, there are schools that are an apology for English medium schools and that many schools charge extremely high fees. There is the need for standardising them. And the schools that charge high fees are required to project a service mentality image rather than a high profit motive.

But can we deny the fact that English medium schools sprang up out of sheer necessity and longing for it? Our award giving ceremony in a way bears testimony to this. Whereas nine years ago when we began it, 200 students met our criterion, but now it is a stunning number of 1,000 high achievers receiving the well deserved accolade. By testing their merit in global examination, they achieved feats that are comparable with others. This is a tribute to the intrinsic talent of our boys and girls which we would like to see bloom as thousand flowers to the future benefit of the country and the people.

Dakar Declaration

Action-oriented OIC need of the hour

THE Dakar Declaration at the end of the 11th summit of the Organisation of the Islamic Conference (OIC) pledged to preserve world peace and security, face the challenges of Muslim Ummah and ensure development of the member countries. It may sound a mouthful but we believe all of this is extremely relevant in the context of present global economic and security situation. We also believe all of this is definitely doable. But, this needs to be mentioned at the same time, that the onus rests on the shoulders of the oil-rich members of OIC that have enormous resources at their disposal, which they need to share with the developing Muslim countries for the ultimate progress of the Ummah.

We feel the Bangladesh delegation, led by Chief Adviser Fakhruddin Ahmed, rightly focused on the burning issues like facing the challenges to poverty alleviation and maintaining peace and security. It is only stating the obvious that we wish to see the OIC become action-oriented in the future. While letting the conference know its mind, Dhaka also gave emphasis on OIC remaining focused on implementation of the resolutions, once these have been adopted unanimously by the member countries.

OIC, for all its potential, has not been proactive in the past in stepping forward to offer assistance to the developing Muslim majority countries of Asia and Africa that are facing funds constraints in undertaking major developmental projects. It watched from a safe distance these countries carrying the legacy of pervasive poverty, high rate of illiteracy, miserable sanitation and health condition, inter-caste conflicts and cross-border terrorism, which continue to drain out their meagre resources. There is no denying that because of such nonchalant attitude, OIC failed to carve a bigger role for itself in resolving crises faced by the member countries.

With oil price soaring and oil producing countries making windfall profit, it would therefore be natural for the developing Muslim countries to expect them to join as partners for the development of their export industries, roads, bridges, education, human resources, IT, health care and transportation including the aviation sector. Such partnership should not be viewed as doing charity or philanthropy but a justified investment towards making collective benefit under a broader vision. We feel the efficacy of OIC now hinges on its actions and not words anymore.

Lessons under strain



MUHAMMAD NURUL HUDA

PERHAPS only the incorrigible skeptics will not agree that the deficiencies in our democracy should be made up by more doses of democracy. They would disparagingly point to the modus operandi of the politicians, that allegedly took populism beyond sensible parameters while failing to come to terms with ground realities.

Such critics would like to stress that on account of the failure of the politicians, undemocratic arrangements interposed between the nation and the polity as a great historical aberration. They, however, agree that Bangladeshis need to be relieved of this pathetic recurrent reality.

The question is what lessons have we learnt from our present predicament? Many leaders, unfortunately, will not admit that they are substantially responsible for derailing the democratic process, howsoever serious they may appear now about the virtues of democracy.

The general population appreciates that our sense of right and wrong in all aspects of national life had nearly vanished, and the ascendancy of self-seeking and greedy individuals in the corridors

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of power was almost unstoppable.

The irony is that it takes a less than elected ruling dispensation to tell us that the class divide in our society was complete. It is, thus, becoming clear that on one side were those who were in a position to exploit the resources of the country to their heart's desire, and on the other were the teeming millions who were powerless, and were left to fend for them.

A lesson learnt is that we as a nation have been sitting on a dangerous fault-line: a disconnect between the government and the society. There was a wide and growing gulf between the rulers and the people. The government with all its power, mandate and huge resources had very little clue about the ground situation: how people think, how they live, how they perceive things, what are their needs, what are their priorities. People, on the other hand, started losing faith in the government.

Another lesson learnt is that the coercive arm of the state has been used and misused by the ruling coterie. Thus, the near breakdown of civic services and ineffective maintenance of law and order were a painful reality. It appeared that protecting the status quo from all challenges was the prime activity of the state, and the deplorable scenario was one of state machinery being put to

unabashed use for keeping rival political claimants to power in check. All these happened while violence in various forms and shades took firm root and continued to traumatise the people.

There is no doubt that history will apportion the blame and the responsibility among a wide spectrum of the elected representatives who betrayed their trust. But it is also true that our electorate love and almost worship their leaders, and when the spell is broken they unfailingly transfer their allegiance elsewhere. The question is, where is the alternative?

Some would say that the first task is to have leadership at all levels -- from the highest executive to the Union Parishad. Such leadership would be the exact opposite of the concentration of all power and decision making authority in one individual. The expectation is that such leaders will unleash the full power of the organisation and release the potential and energy in the rank and file by means of personal impact.

The need of the hour is to display great concern for public good, and not to let cynicism corrupt us. This can be achieved by encouraging the private initiative of the citizenry, that would go a long way towards counteracting the deficits of the government.

Such desire should not be oblivious of the reality that for quite some time the public sector would continue to play a dominant role in all aspects of our socio-economic existence. A lesson learnt in this regard would be to promptly act upon the recommendations of the commission on local government and the regulatory reforms.

A crucial lesson learnt is perhaps the supreme necessity to build institutions because it is foolish to expect to be free while remaining ignorant. We forget that when a republic is born, it is the leaders who produce the institutions, and later such institutions produce leaders. We need nation-building institutions that will produce the leaders of tomorrow. One would fondly expect that institutions of excellence will create leaders who would not be poisoned by collective bad faith and polluted by individual avarice.

A point to remember would be the realisation that the staying power of our democracy depends upon the strength of our political institutions and the severity of economic crisis. However, we will not collapse due to economic failure if our political institutions acquire durability through experience and tradition. Economic stagnancy coupled with fragile institutions and a pliant constitu-

STRAIGHT LINE



tion is the danger.

While deliberating on the subject of institutional vitality, a lesson is that we must have the courage to defend our judges against political pressures and threats. At the same time, we must insist upon integrity and impartiality in judicial appointments, and not permit the political executive to enunciate and apply the astounding principle that it is at liberty to supersede judges of caliber and appoint persons who subscribe to the views of the ruling party.

Similarly, ignorance, incompetence and dishonesty must be treated as disqualifications for high public offices, either in ministerial ranks or elsewhere. We cannot have democracy without meritocracy.

We have to do away with the pernicious divisiveness and polarisation on political lines, and stop displaying the tribal temper in

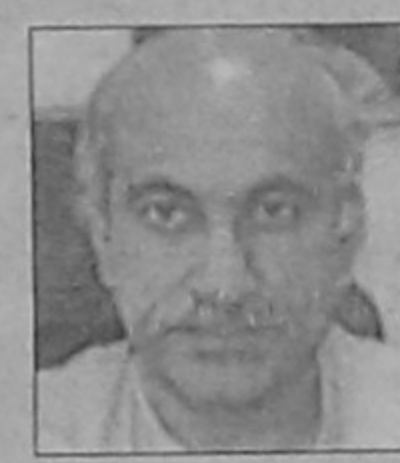
political discussions. This temper is pressing a partisan advantage to its bitter end, thus failing to understand and respect the other side. The appreciation of unity between all citizens is lost.

Our democracy has to depend upon the habits of consent and compromise, which are attributes of mature political societies. Lawful government by the majority under the rule of abiding law, and freedom of opposition and dissent demand unusually heavy responsibility. Where the spirit of moderation does not prevail, society degenerates into divisions and hatred replaces goodwill.

No wonder, the genteel voice of Mr. S.A.M.S. Kibria was put to a pathetic end by the intemperate rogue elements of our political culture.

Muhammad Nurul Huda is a columnist for The Daily Star.

The long onion road



M. J. AKBAR

A shortcut is often the longest road in politics. As the time to the next general election shortens to months from years, both the Congress and the BJP are searching for a shortcut to power.

The temptation is understandable. Politics is a difficult journey, rife with roadblocks and accidents. But who will persuade politicians that voters live on the long road, not the shortcut?

There is something very irresistible about a shortcut, with its promise of speed and good luck. The massive loan waiver in Finance Minister P. Chidambaram's end of February budget is such a classic shortcut that the only reaction from ruling coalition MPs has been a demand for more handouts. They want waivers on everything; you merely attach "poor" to a bank loan and sanctify a political purchase. Debit is being converted into political credit. When you have run out of good sense, you throw

One wonders if anyone remembers the name of Chaudhry Charan Singh. He, too, was a prime minister of India, if only for six months. Just before he took the top job he served as finance minister and threw as many lollipops as he could towards his core constituency in the only budget he presented. Nine months later, Mrs. Indira Gandhi swept to power on a decisive issue: inflation.

money and hope for the best.

The opposite of a bad debt is a good debt. If you could make a nation rich by handing out cash to the poor, every nation in the world would be wealthy. It costs very little to print cash, as the Germans of the Weimar Republic discovered when they realised that it was cheaper to burn currency notes for heating rather than buying fuel with it.

Eventually, the Germans burnt their respectable inflationary government and brought Hitler to power. There are many factors that are pushing up today's Indian inflation, but the sudden injection of non-productive cash into the system will certainly not bring inflation down.

You don't have to win the Nobel Prize in economics to realise that an economy is lifted by an investment of good debt. How does that concept translate into policy in the case of a starved rural economy? You have to invest in a ruined farm, not in a ruined bank account: the future earnings of a revived farm should pay off the

debt, which can be amortised over a longer period. It took no more than a day for the synchronised post-budget applause to become muffled. Economists and analysts punched holes in it.

Congress used an old tactic to cover up mistakes in the hurriedly-packaged offer, by packing remedies into Rahul Gandhi's speech on the budget, which he read from a prepared text. He may not have fully understood the details, since economics is not his strong subject, but his staff did a good collage of newspaper clippings.

Why is there a convention in parliament that you do not give your speeches from a prepared text? Parliament is not a test of memory. Parliament is not a classroom where the student with the highest rote-quotient wins the most coveted prize. An MP is permitted the use of notes, and the best orators refer to them during a debate. Most debates are on complex matters of governance; much of the detail can be infuriating in its obscurity. But that is what governance and

Parliament are about.

The reason why you do not read from a prepared text is because you are meant to have a grasp of your subject. You place your own views in front of the House, not a speechwriter's; that is the difference between a speech that is delivered and one that is read out from a prepared text.

For the Congress, the budget is less important than the continuous reconstruction of Rahul Gandhi as a future prime minister. He has the privilege of dynasty, and is above conventions. One can understand a touch of nervousness in a first speech by a new MP, but after four years in the House you have to live by its rules.

A further privilege is that the dynast is placed in charge of all the good news. The bad news is left for minions to handle.

The BJP is consistent; it does not change its shortcuts. It has only one shortcut in its route map; how to bring Muslims into every argument. This has become a bit of a yawn, but it seems to have run

out of other things to say. Or perhaps it is simply on-message: Muslims are not going to vote for the BJP so why worry about them? It needed a terrific leap of imagination to link this budget to that of another finance minister of India, Liaquat Ali Khan.

The two Indias were as unlike as the two finance ministers. Liaquat Ali Khan was finance minister of united India, or, more accurately, British India, for the princely states did not come under the purview of the government in which he was a cabinet minister. He held the finance portfolio in the interim government formed a year before independence, in which both Congress and the Muslim League participated, a sort of partnership in regress.

The two parties had nothing in common, not even a country. Jawaharlal Nehru was prime minister: Gandhi and Jinnah, as symbols of their people, were above the latitude of mere governments. Finance was allotted to the Muslim League.

Liaquat Ali Khan's most notable achievement was to throw dust in the machinery of government so that it ground to a halt; no one accused him of actually helping anyone, though he did hurt some businesses because, in the lexicon of that period, they were "Hindu." His name has been forgotten in India, and I suspect is barely remembered in Pakistan, although he was Jinnah's succes-

sor. That service was brief, since he was assassinated in Rawalpindi in 1951. I doubt if millions of votes will take a fast shortcut to the BJP's ballot box because of its reference to Liaquat Ali Khan, but there could be an inadvertent revival of Khan's name.

In its desperate search for votes, the government -- surprisingly, for Prime Minister Manmohan Singh is an economist of standing, and has surely discovered the perils of electoral politics after four years in office -- has taken its eyes off that dangerous curve ball that could become the most decisive factor in shaping the popular mood: prices. Inflation is running at over five percent now, and the price of food is climbing at a much higher rate. This is not the first time that farmer-populism is being touted as the all-purpose panacea.

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The price of onions made the government weep in the winter elections of 1979-80. Watch out for the onions, prime minister.

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The Fed and the ECB



CHAKLADER MAHBOOB-UL ALAM
writes from Madrid

BEN Bernanke, the current Fed chairman has recently made several cuts in the Federal Funds rate (from 5.25% to 3%) and it is widely expected that on March 18 he will announce further cuts. But in a recent statement, Jean-Claude Trichet, the president of the European Central Bank ruled out all possibilities of lowering its benchmark interest rate (4%) in the near future. So the question is: Why are the Fed and the ECB pursuing such divergent interest rate policies?

The simple answer to this question is that at this particular moment the immediate objectives

LETTER FROM EUROPE

Central bankers may follow different strategies but their ultimate objectives remain the same, which are, of course, steady economic growth, high employment and low inflation. This axiom holds good for both Bernanke and Trichet.

of these two central banks are different. While the Fed's immediate objective is to stimulate economic growth, or at least try to stave off a looming recession, the ECB is trying to control inflation, which now stands at 3.3%, which is well above the bank's threshold of 2%.

If the oil and food prices continue to rise at the current pace, they may set off a wage-price spiral that will definitely lead to even higher inflation. Trichet wants to avoid such a situation. He wants to control inflation so that European economy can grow, even though the growth will be at a low rate -- 1.7% for 2008 and 1.8% in 2009.

He is also worried about the huge build-up of total money

supply (M3) in the euro-area, which he believes will increase inflationary pressures.

The current economic situation in the US cannot be considered rosy. The pundits are still arguing as to whether it can be described as a crisis or a recession. The US is running huge budget and current account deficits. Its savings rate is unacceptably low, its stock markets are tumbling, the dollar is weakening, unemployment is increasing and the war costs are rising (estimated to be \$3 trillion by Professor Stiglitz). Even its inflation rate (4.3%) is higher than that of the euro-area.

Then, of course, its sub-prime mortgage market meltdown has shaken public confidence in its financial system, which is defi-

nately in a crisis. Most analysts agree that it has been "set off by the simultaneous bursting of property and credit bubbles."

The Fed's latest move to solve the liquidity problem of the seemingly solid financial institutions -- which have become too frightened to finance even conservative debt offerings -- by introducing a \$200 billion plan to let them borrow ultra-safe treasury money by using some of their riskiest investments as collateral seems to have failed.

On March 13, Carlyle Capital, an affiliate of Carlyle Group, one of the world's largest private equity funds, stated that it had already defaulted on \$16.6 billion and that its creditors were planning to liquidate the fund. The same fate

awaits other corporations and mortgage companies like Thornton Mortgage etc.

What is happening to the US financial market? As Professor Krugman of Princeton University pointed out recently, the US economy is caught up "in a vicious circle in which banks and other market players are trying to get out of unsafe investments at the same time, causing significant damage to market functioning."

Professor Krugman also mentioned that at present the total US mortgage debt amounts to \$11 trillion. It is scary for the world economy to think that this is the size of the market that is in the process of melting down. Can the Fed stop the process?

Bernanke is in a very difficult situation. He is facing increasingly contradictory pressures of slowing growth (economic activity fell for the fourth consecutive month) and rising consumer prices (4.3%), a condition that echoes the stagflation of the 1970s. If price pressures continue to rise, Bernanke may have no other

option but to raise interest rates sooner than expected.

Going back to the ECB, although the recent publication of data showing an upward trend in industrial production in the euro-area strengthens Trichet's position not to cut interest rates in the immediate future, this decision has indirectly created other problems. As the Fed has kept cutting interest rates while the ECB has held them steady, the dollar-denominated assets have gradually lost their appeal to the investors. This policy has relentlessly driven the dollar down against the euro.

Oil prices have reached an all-time high -- \$110.20 a barrel -- and gold prices have gone over the \$1000 an ounce mark because investors and speculators are pouring money into commodities to hedge against inflation and a falling currency. The euro rose above \$1.55 against the dollar for the first time in its nine-year history as the investors' confidence in the Fed's ability to revive credit market and bolster a struggling US

economy continued to sink. Some analysts think that the dollar may even reach \$1.60 per euro by the end of the year.

A strong euro affects the euro-area's export efforts negatively. On March 10, Trichet complained bitterly against these exchange rate fluctuations. He said that excessive, volatile and disorderly movements are undesirable for economic growth because they disrupt business planning. Of course, what Trichet did not mention was that a strong euro also makes it less expensive for the euro-area to import oil and other commodities priced in US dollars, which helps the ECB to curb inflation.

Central bankers may follow different strategies but their ultimate objectives remain the same, which are, of course, steady economic growth, high employment and low inflation. This axiom holds good for both Bernanke and Trichet. It is true that Bernanke's task has become much more complicated by the sub-prime mortgage meltdown, which

according to the chairman of the Federal Open Markets Committee, has been caused by "the ideology of deregulation."

The complexity and the magnitude of the problem are such that no one can say how and when it will be resolved. But he hopes that once the low interest rates have nursed the economy out of the malaise, he can raise interest rates to tackle inflation.

Trichet's strategy is different because the circumstances are different in the euro-area. As he said recently: "We are each in our own universe. Europe's universe is marked by moderating but still acceptable economic growth."

But, bearing in mind that Europe's construction industry is slowing down at a significant pace, it is my guess that by the third quarter of 2008, Trichet will be forced to lower interest rates by at least one half percent. I hope that by that time the inflation in the euro-area will have fallen below 3 percent.

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