

Incitement for chaos

Govt must respond forcefully to threats

WE are shocked and outraged that the leaders of the self-styled Islamic Law Implementation Committee, headed by IOJ chief Fazlul Huq Amini, would be so brazen and audacious as to throw a direct challenge to the government of the day and to threaten the peace of the nation if their agenda for withdrawing certain provisions of the new 'Women Development Policy' is not enacted.

The only thing that would astonish us more would be if the government failed to stand up to this blatant challenge to its authority and to public order. Indeed, this is not the first time that Messrs Amini and company have both threatened and fomented violence in order to advance their dubious cause. So far, the government has treated them with kid gloves. The result is that they have grown in their impudence and audacity. The government must move against them immediately and decisively if it does not wish to be seen as a mute bystander and to run the risk of a social conflict that would endanger the peace of the entire country.

The statements made by the committee leaders at the Engineers Institute on Sunday were a direct threat to the nation and cannot go unanswered. When speakers threaten to immobilise the nation, is it not a threat to public order? When they vow to bring violent demonstrations in the street, is it not a breach of the emergency regulations? When they threaten violence if their narrow agenda is not enacted, is it not a violation of all of our rights?

In fact, Mr. Amini went further still. His call to the armed forces to withdraw their support for the government is tantamount to a call for mutiny, and quite possibly could be considered seditious. Mr. Amini has, in effect, incited violence and unrest with a view to toppling the government. This is unacceptable and demands the strongest possible response. No government can afford to tolerate such contemptible and contemptuous behaviour.

In conclusion, we only point out the obvious that, as well as being unlawful, the speakers' statements were also reprehensible. Who gives them the right to speak on Islam as if they are the sole authority on the beloved religion of the vast majority of Bangladeshis? That they would dare to try to dignify their vile threats, incitement to violence, and intimidation of the public in the name of this great religion, makes their statements and conduct all the more reprehensible.

Jetty closure backlash

Couldn't it have been done after taking public view?

THE incidents that took place over the closure of a jetty near the Sadarghat river terminal on Sunday call into question the way the whole thing was handled by the BIWTA authorities. The closure of the jetty, known as Simpson Ghat, a cross-river ferry terminal for boat users was resisted by the local businessmen and small traders as it came about without alternative arrangements having been made for ferrying passengers. The agitation soon took a violent turn when two launches were set ablaze and six others came under attack, adding a new dimension to violence. A number of people were injured when launch operators were pitted against the angry mob that could not accept the abrupt closure of the facility.

Whatever may be the rationale behind the BIWTA move for laying a pontoon bridge, it is pretty much obvious that the authorities started on a wrong foot by trying to impose their decision with scant regard shown to public convenience. The law enforcers finally had to convene a meeting with all the parties concerned and assure the aggrieved of keeping the jetty open until some alternate arrangements were made. The question is, why this step was not taken in the first place to avert the damage eventually wrought through a short-sighted action?

Such situations arise far too frequently in our context as the pros and cons of any administrative decision are not carefully weighed before it is actually enforced. In this particular instance, economic activities involving a huge number of people will be affected if the jetty is removed without suitable alternative arrangements being in place. After all, the jetty has been in use for nearly 150 years!

As for the locals, they had every right to ventilate their legitimate grievances, but setting launches on fire was a manifestation of mob psychology at its worst and it cannot be condoned.

The government has formed a three-member committee to investigate the matter. It is one of those routine moves we have gotten familiar with, only to see it evaporate with the dusts settling down. Let the findings of the committee be acted upon, for a change.

Election engineering will be a forgotten art?



SHAHNOOR WAHID

SENSE & INSENSIBILITY

Election results greatly impact the future development and progress of a country. If some thieves in tuxedos get elected, only doom will be hastened. We have plenty of examples to cite on this point. We are not in a mood to go back to those days of national horror. The time has come to further polish the electoral laws and organise the elections in the given timeframe so that a pro-people government can be installed. Let there be a fresh beginning for the nation in 2009.

to redefine and restructure election and the Election Commission. Know what? They almost succeeded in snatching state power once again by applying this unique art of engineering. But things got a little out of hand at the end.

Today, with the (in)famous "engineers" in jail or remaining *bhagawat*, there is little chance now that the coming elections will be engineered. This bleak prospect has caused flatulence in many of our "leaders." So, if you walk down the corridor of power you will hear people lamenting: "By God! Those stubborn people in the Election Commission (EC) have thrust their 'hand in our root-roigar'!"

What shall we do if we cannot take part in the elections as we

always did in the past? It was our seasonal dhandha to earn one thousand crore in five years! What business on earth can get that kind of money! No, no, this is not right. This is not done. We must retort back. Just wait for the home-based (*ghorowa*) politics to begin."

The Election Commission (EC) has long been cleansed of the clowns who had taken up residence there to implement the blueprint of the engineers (the *paler goda* was a barrister of "repute" who always carried a copy of the Bangladesh constitution under his armpit). So, after the departure of the "jokerias," the EC has gotten back its dignity, power and substance to materialise the aspirations of the people.

Yes, aspirations of the people, and not that of some hoodlums as per dictat of the men in the Windy Castle. Therefore, gangs of smugglers and drug peddlers are not to be seen with suitcases full of money crowding the streets of Banani or Bangabandhu Avenue. They have tucked their tails between the hind legs and fled to the forest where they belong. The days of bliss are gone. They cannot withstand the blizzard.

So, finally, it seems politics is going to be truly "difficult." This time around, there will be no buying of nomination with black money and then tampering with the results in the dark of night by brandishing guns and bombs, thus scaring the hell out of the poor

polling officials. O yes, we do remember those days of shame and disgrace.

This time around, electoral laws are going to be much tougher with the incorporation of some provisions, to the utter dismay of some professional politicians. If we think about it carefully we will see that, in fact, the EC is not doing anything out of this world. They are implementing what should have been there in the first place! There is nothing amazing about it. What is amazing, most of these laws were not there when the past elections were held.

What are there in the electoral laws, really? The draft electoral laws say that political parties will have to register with the EC, to begin with. We see nothing wrong in that. We should have everything in order, shouldn't we? Next, political parties will have to submit authentic accounts of the expenditure during the elections.

There is a ceiling for such expenditure and they have to abide by the rule. If they fail to submit the accounts in three months the registration will be cancelled. Nothing wrong in that, either. It is to set things in order. Order is the

first condition to make a nation civilised. And only a civilised nation can progress and prosper.

The electoral laws dictate a candidate to submit eight pieces of personal information and limit the election expenditure ceiling. If a candidate exceeds that ceiling and fails to submit authentic accounts, his or her election results, even if he/she wins a seat, will be declared vacant. Subsequently, reelection will be held for that seat. The candidates will have to submit statement of wealth and other information to convince the EC that he/she is a clean candidate.

Election results greatly impact the future development and progress of a country. If some thieves in tuxedos get elected, only doom will be hastened. We have plenty of examples to cite on this point. We are not in a mood to go back to those days of national horror. The time has come to further polish the electoral laws and organise the elections in the given timeframe so that a pro-people government can be installed. Let there be a fresh beginning for the nation in 2009.

Shahnoor Wahid is a Senior Assistant Editor of The Daily Star.

The Left in the ascendant as markets fail



PRAFUL BIDWAI
writes from New Delhi

THE PRAFUL BIDWAI COLUMN

There's a lesson in this for South Asia. Many of our policymakers live in a time-warp. They believe that the market is infallible. It's high time they changed course and adopted a "social economy" approach, which believes in prudent state intervention or direction.

Sarkozy won in France, 2008 too witnessed Mr. Silvio Berlusconi's victory in Italy. But Mr Sarkozy's approval ratings have fallen from 71% to 32%. And Mr. Berlusconi is outraging people by mouthing foul anti-immigrant rhetoric. Neither government is expected to do well.

By contrast, the pro-Left changes appear more lasting and carry new possibilities.

In Cyprus, Mr. Demetris Christofias became the first communist in a European Union state to come to power after the Cold War's end. He scored a convincing victory in an election seen as key to the reunification of the island partitioned between its Greek and Turkish communities.

For the first time since the 1974 Turkish invasion, Cyprus's Greek and Turkish communities will be headed by politicians willing to negotiate a settlement.

The Green Line dividing them has already been crossed -- for the first time since 1963. This generates hope for a historic reconciliation, with wide implications.

Nepal represents world-historic change. Its evolution as a federal, democratic republic holds out hope for all of South Asia. Equally significant is the South American nation of Paraguay, where the Colorado party of former dictator Alfredo Stroessner was defeated after 61 years by former Catholic bishop

Fernando Lugo.

Mr. Lugo, who inherits the great tradition of Liberation Theology, stands for radical reform in a country that has the region's second-worst distribution of wealth.

He's part of a social movement which has protested since the 1990s against land shortages suffered by poor farmers and demanded expropriation of large landholdings illegally gifted to army generals and cronies.

Paraguay has now joined Brazil, Venezuela, Argentina, Chile, Bolivia and Ecuador, which have recently experienced shifts to the Left/Centre-Left. This is a major change in the balance of forces within the US "sphere of influence," in which America has repeatedly intervened to sabotage radical movements and topple elected governments.

No less important is the anti-globalisation revolt sweeping through Latin America, which is now the world's most strongly anti-neoliberal continent. That's because it went through the most severe enforcement of the World Bank-IMF's "Washington Consensus" policies for over two decades.

Although a few of these new progressive governments, especially Brazil's, have adopted a centrist course, they're now under pressure from more radical regimes, such as that of Venezuela's Mr. Hugo Chavez, to

join efforts at containing US influence in the region. Venezuela, flush with oil revenues, has offered generous funding, besides subsidised petroleum, for this.

Last October, Venezuela, Brazil, Argentina, Bolivia, Ecuador, Paraguay and Uruguay established Banco del Sur, a development bank championed by Mr. Chavez to consolidate regional trade and growth based on indigenous resources.

The bank will create a new financial architecture for South America to ensure that its "development won't be put at the service of other countries." This initiative has huge implications. These far-reaching developments are occurring amidst a spiralling crisis in the global financial markets.

Economist Paul Krugman calls this "an epic crisis." Former US Federal Reserve Chairman Alan Greenspan says the crisis is likely to be judged in retrospect as "the most wrenching" since World War II.

The Financial Times' arch-neoliberal ideologue Martin Wolf declared March 14, when the Bear-Stearns bailout was announced, as "the day that the dream of global free-market capitalism died."

The crisis, precipitated by reckless lending by US banks to unsecured high-risk borrowers, is unfolding into a disaster that will cost the world \$1,000 billion.



There's growing agreement even among free-marketeers that the Anglo-Saxon model of capitalism is in grave crisis. This has dominated the world's most powerful economies since the 1980s.

The crisis is rooted in market failure related to the incalculable risks of loans, which banks deliberately concealed in the hope that hiding the risks would minimise them. The result was the opposite: enlargement and spreading of risks, which still remain incalculable.

To reduce the risks, neo-liberals, who for years condemned state intervention and multi-billion dollar handouts to rescue failing banks, are now begging for intervention!

Everybody, from IMF economists to private bankers, has suddenly discovered the virtues of the state and Keynesian policies of putting purchasing power into the people's hands.

The crisis isn't confined to the financial markets. It's spreading to the real economy. There's a significant slowdown in the US and European Union, aggravated by high oil prices, food shortages -- private stores in the US and Japan are rationing the amount of rice consumers can buy -- and a sharp rise in primary commodity prices.

The question is no longer if there will be a recession, but how severe it will be, and whether even big state bailouts will merely postpone the day of reckoning.

There's a lesson in this for South Asia. Many of our policymakers live in a time-warp. They believe that the market is infallible. It's high time they changed course and adopted a "social economy" approach, which believes in prudent state intervention or direction.

Praful Bidwai is an eminent Indian columnist.

NGOs in Bangladesh: Myth, rhetoric, and reality



ABDUL BAYES

BENEATH THE SURFACE

Have NGOs helped improve the economic conditions of the borrowers? We shall attempt to examine the aforesaid three stances: myth, rhetoric and the reality. For the sake of a comparison, we can take two periods: the last 20 years as a long-term trend and particularly, the last one year that is believed to be a bane for poor household grappling with economic crisis.

saying so is that one must consider the same groups of borrowers at different points of time to draw an inter-temporal picture. The recently completed repeated sample survey of households in 62 villages, funded by the Research and Evaluation Division (RED) of Brac, seems to have overcome the pitfall. Allow me to draw upon that survey output and provide the readers with some tentative insights -- and adducible to my judgment -- on the performances of NGOs in rural areas.

NGOs claim that they target the poor and, preferably, the functionally landless households (owning up to 0.20ha). They do it, but not for the totally poor. Survey results show that about half of the house-

holds (approximately 47%) from this group are still outside the NGO net. We can only hope that the coverage gets wider over time. Among the already reached 53% of the poor, the shares of each NGOs are as follows: Grameen 12%, Asa 10%, Brac 9%, "other NGOs" (PKSE, RDRS, etc) 10%.

Due to various problems, 12% of the borrowers had already backed out from the NGO credit market. This 12% is possibly the main plank of the adverse perceptions of the critics who say that NGOs do no good to the poor. There is another viewpoint of the critics, which is that the economic condition of the poor deteriorated because of access to NGO credit -- a point that we shall pursue later.

However, the dropped-out households could also be the target for harassments by NGOs, as often alleged in newspapers. But note that we notice no flaws in NGO targeting since 93% of the households covered so far belong to the functionally landless, plus marginal, groups.

Assuming that 46% of all households (including some non-poor households) have access to NGO services, the current coverage is estimated to be 11.5 million. But, we are told by the NGO operators that the coverage is a staggering 24 million distributed as follows: Grameen 7 million, Asa and Brac 6 million each, and "other NGOs" 5 million. That means almost all

rural households are members of NGOs. This possibly points to the state of overlapping in NGO loans, which is deemed to be the number one problem now.

We reckon that the same households had been taking loans from different NGOs, or else the same NGO has been giving loans to different members of the same household. This seems to be a sordid scenario of mismanagement, telling upon recovery capacity and efficiency of NGOs in Bangladesh. This also means that "credit discipline" that NGOs once boasted of is now on the back-burner. And the implication is that unless streamlined, the on-going credit indiscipline might cast a cloud on the horizon of sustainable survival of the credit programmes.

Have NGOs helped improve the economic conditions of the borrowers? We shall attempt to examine the aforesaid three stances: myth, rhetoric and the reality. For the sake of a comparison, we can take two periods: the last 20 years as a long-term trend and particularly, the last one year that is

believed to be a bane for poor household grappling with economic crisis. And, in doing so, we have valued the opinions of the borrowers about their own conditions rather than imposing our (meaning economists) own deductions from the drawing rooms.

We observe that during the last 20 years, the member-households reported a net positive change in their economic conditions. For example, about 54% mentioned that their economic conditions improved during the decades as a result of access to NGO services, and 19% reported a deterioration during the same period of time. This implies a net positive change of about 35%. But the net positive change was the highest (40%) for "other NGOs," followed by 39% for Brac, about 35% for Asa and 28% for GB.

It could be that NGOs with "credit plus" approach are performing better than NGOs with "credit only" approach as far as economic uplift of the client is concerned. By and large, the overall performance seems to be on the positive side as perceived by the

borrowers themselves. This is good news for the proponents of the NGO programs. On the other hand, the critics could show that roughly one-fifth of the borrowers could not overcome the economic barricades despite inflow of NGO credit into their households and, thus, conclude that NGOs are of very little use to the poor.

Anyway, the pendulum of economic condition seems to have sharply swung during the last one year or so. For example, all of the borrowers across NGOs reported a net deterioration in economic conditions over the last one year -- a year when prices of essentials shot very high and natural calamities crippled income earning opportunities. We can distribute the fall-out as follows: "Other NGOs" (-) 7.8%, Brac (-) 21%, Grameen (-) 29% and Asa (-) 22%. For example, 21% of the borrowers from "other NGOs" reported an improvement in economic condition last year while 29% reported a deterioration, thus posting a negative 7.8%.

It thus appears that during the last one year of economic crisis, all

NGO members faced severe economic hardships, but the magnitude of that was less for NGOs with credit plus approach than that of the NGOs with credit alone approach. It also appears that NGO credit could hardly shelter the poor households from the "shocks" arising from internal and external factors.

What, then, wins the debate -- the myth, the rhetoric or the reality? The long-term impacts on economic conditions tend to show that the "myth" bears some meaning: in the very short-run and in the wake of "shocks," the "rhetoric" seems to rule, and, on average, the "reality" wins, providing us with rays of hope. By and large, there seems to be strong case that NGOs with credit plus approach should be extended to the poor not yet covered. There is also a strong case that NGOs should regain their earlier credit discipline for a sustainable delivery of services to the rural poor.

Abdul Bayes is a Professor of Economics at Jahangirnagar University. (Abdulbayes@yahoo.com)