

Budget with a human face

How the huge deficit will be met remains a question

THEORETICALLY, the current budget shows an income-expenditure balance as most of its predecessors had done -- on paper. But when chips came down at the end of the year, the mismatch between calculations and achievements proved to be rather glaring. This truism might hold good even more with the present budget. For, apart from the mega-size of the budget of Tk100,000 crore, even though partly explained by inflationary erosion of money value, what is really jarring is the sheer extent of the budgetary deficit exceeding well over Tk30,000 crore. How is the money going to be garnered or the deficit met? The sources of revenue and other receipts have been elaborated alright; but the deficit can possibly only be met by the government borrowing money from the banking sector or external sources.

It is a potentially double-edged sword. The debt servicing will grow while the credit flow to the private sector would be squeezed. In recent months the private enterprise has shaken off its previous stupor originating in the anti-corruption drive and is displaying an active interest in picking up the past momentum. At a time like this, any credit squeeze will be self-defeating.

The corporate tax rates for listed and non-listed companies have been reduced, import duty rebate on capital machinery and spare parts have been brought down from five to three percent and tax holiday continues. Simultaneously, incentives package for SMEs has been enhanced, endowment fund is proposed to be doubled and tax holidays for entrepreneurs have been strung out from between two and five years. All these are reasons why equity support from the banks should have been ensured.

A very positive feature relates to subsidies given on food, oil, agricultural inputs aimed at both raising productivity and alleviating poverty. Extending social safety net to more of ultra-poor people is highly imperative but reaching out to the really needy people without the process being scavenged upon would be the challenge. The allocations for stepping up agricultural productivity, building up food security and ensuring rural development were expected. That a modicum of institutional efficiency is required to use funds is highlighted by the non-utilisation of the higher allocation for agricultural research in the outgoing year. Significantly, making incomes of those derived solely from agriculture tax-free is a step that is likely to increase investment in farming.

We cannot fail to point out that slashing of government development expenditure and public investment could have a knock-on effect impeding the growth of social development indicators thereby ultimately undercutting the goals of the expanded social safety-net programmes.

The three-year tax exemption on incomes made out of computers, software and data processing is set to boost IT sector. The tax rebate on printing paper is a welcome move.

The budget does not spell out any specific strategy for reducing inflation and keeping the prices from going further up. It is difficult to understand how the government can ensure macro-economic stability while handling such a big deficit? Good export performance, revenue collection and avoidance of government borrowing hold the answer.

Accountability and commitment are key here because the government with only six-months left to its tenure is flagging off a year-long budget.

The point, in the end, is politics



SYED BADRUL AHSAN

THERE are things that this government, seeing that it is provisional in duration and caretaker in nature, should not be doing. But, of course, there are a whole lot of areas it has in these past sixteen months stepped into, some of them full of landmines. Those steps ought not to have been taken in the broad interest of democracy.

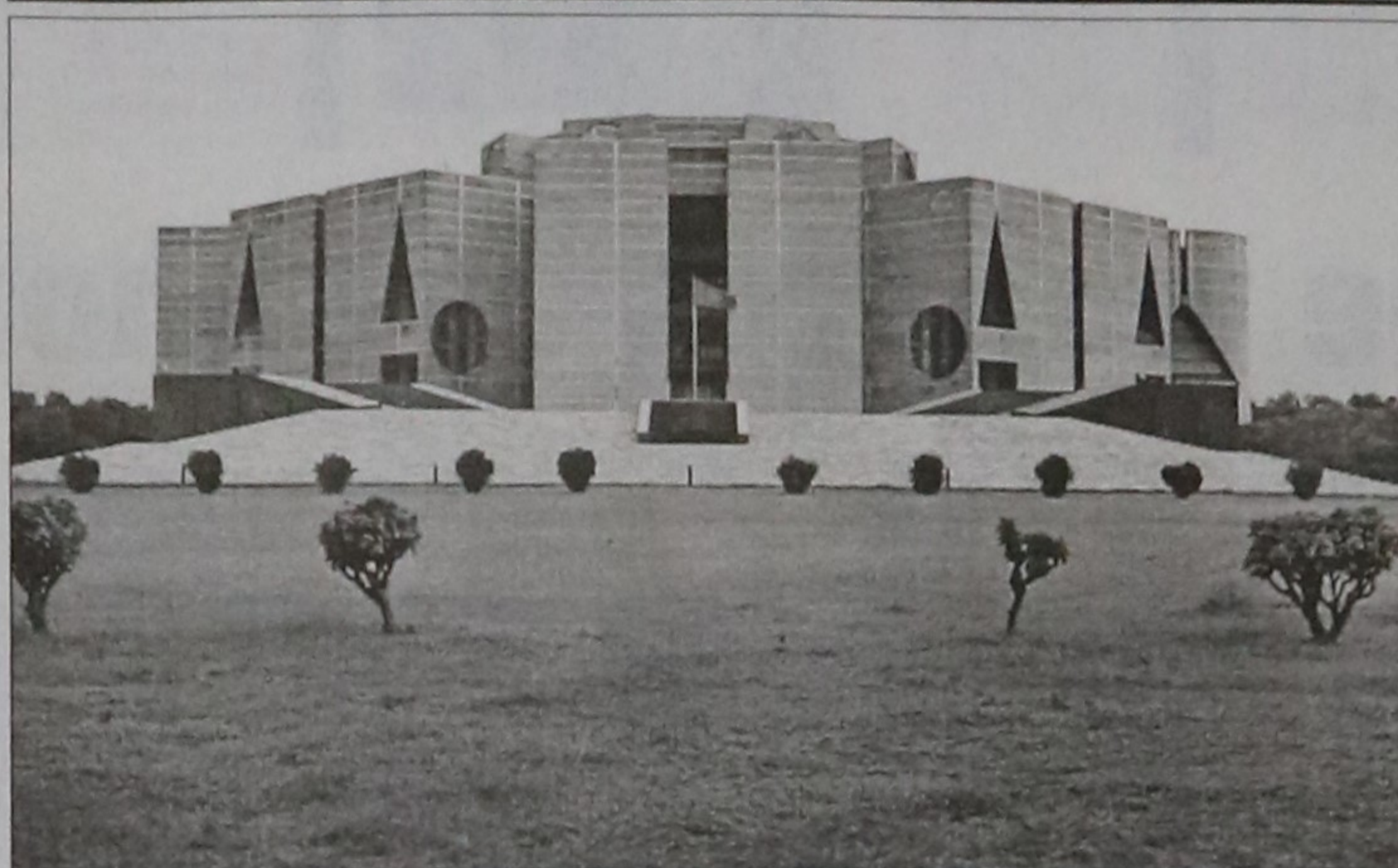
But then again, there is the fact that one cannot undo what one has done so enthusiastically, sometimes so mistakenly. So we will let all that be, for now. What does bother the country intensely, though, is the thought that there are people within the caretaker administration, and outside it, freely and even disturbingly suggesting that the constitution be reviewed and that necessary changes in it be brought about before the elections come to pass.

That signals not just trouble but grave danger as well. We, who have been witness to some of the uglier manifestations of anti-politics in the post-1975 years, have not forgotten, and will likely not forget, the many and unsettling ways in which the constitution has often been tampered with.

The amendments which went into a mutilation of the constitution, especially where a legitimisation of military rule was the issue, have for a long time put up roadblocks on the road to a full realisation of the democratic potential of the people of this country. Additionally, those amendments have also been debilitating for us in that they yanked the country away from its political and moral moorings as they came to be effectively

GROUND REALITIES

The point, in the end, is politics. Let it take its natural course. Let the will of the people, expressed through a transparent, unfettered exercise of the ballot, take precedence over all other thoughts running riot in our collective imagination. That the constitution is sacrosanct, that Parliament is supreme, that sovereignty rests in the people -- all of these truths must be reasserted in the weeks and months up ahead. There is no other way for us to reclaim our place in the global hall of respectable governance. Let no one pretend there is.



and constitutionally acknowledged in the aftermath of the War of Liberation in 1971.

In its own time, the four-party alliance government under Begum Khaleda Zia sought to undermine further the spirit of the constitution through its moves to cast aside historical truths in favour of an exaggerated notion of the role of the founder of the Bangladesh Nationalist Party in the war.

We could go on with this debate for hours on end, for days without respite. For now, though, we will be doing ourselves -- and by that we mean the nation at large -- a huge favour by asking the caretaker administration to step back from any plans it may have about reviewing the constitution. And we do that

for two very obvious reasons.

The first is that the caretaker government is not empowered, being the non-elected administration it is and therefore holding no accountability to the nation, to undertake the task. There are the ramifications to think of should such a move of grave import be taken. You may think the constitution needs to be recast, even to be cast aside and replaced with another. But that is a job that can, should and must be done by the people, in the symbol of the representatives they elect to Parliament.

Anyone who disagrees with this principle is in effect placing the future of politics at peril. And that is the point from where the second objection to a constitutional review under the present dispensation follows. If the caretakers actually go through the process of reviewing the constitution and then present the nation with a fait accompli, they will be setting a dangerous precedent for the future.

Any future administration, elected or otherwise, will then find it easy to circumvent Parliament and go about playing around with the constitution to suit its immediate, parochial needs. And Parliament, of course, will stand embarrassingly emasculated.

It is the future of politics we speak of. In these many months since the imposition of a state of emergency, the nation's political classes have been at the receiving end of a whiplash that has left

many of us unnerved. What ought to have been a purposeful crusade against corruption soon, and inexorably, turned into a campaign of vilification against politicians and political parties across the board. As if on cue, almost everyone in Bangladesh -- businessman, bureaucrat, academic and what have you -- went happily into the job of spearing politicians or running them into the ground.

The attitude was wrong. And it was wrong because it failed to take account of the corruption that loomed or lurked or worked in other areas of national life. Academics of questionable reputation went off scot-free. Any politician willing to be a reformist remained outside the net, until much later when reforms did not appear to be going everywhere. Bad bureaucrats and corrupt policemen have not been booked for their misdeeds.

Businessmen with unsavoury reputations, except for a handful, have gone about their work with nary a thought to the welfare of the country. Meanwhile, prices have soared, fuel prices have gone up and crime has begun to rear its sinister head once again. The queues of the poor have lengthened before the rice shops. And then those shops have shut down, breaking hearts all around.

That is the objective reality. You may try to put a gloss on it. You may deny it. You may come forth with all those surveys that show up politicians in bad light. The truth is that you cannot transform a society and go forth into the future without politicians in charge. You do not deny that a class of politicians, or pseudo-politicians, have in recent years given us all a bad name and a red face. But politics has an ambience wider than the narrow parameters of self-interest the men and women of the last elected government worked in.

Politics gives people the capacity to dream, to build on dreams one after the other. When those dreams are made to run into a logjam, when politicians are treated as so many men and women with criminal records, it is horrifying nightmare that burrows

its way into our alleys and lanes and homes. The Almighty knows, and so do we, of the nightmares we have already passed through, of repeated tests through fire we have been put through for no fault of ours.

Which is why we are in little mood to go through the test of a national government once the general elections we have been promised are behind us. Those who have floated the idea of such a government surely mean well. But then there is the larger matter of the principles upon which democracy, or parliamentary democracy, functions. There is always a point behind elections. It is to produce a government; it is to throw up an opposition, which will prepare to be the government someday. And unless the results of the voting are confusing or inconclusive, there is little point in advocating the idea that winners and losers all get under one umbrella and all get to exercise power.

You can have a shaky yet necessary coalition when elections produce no majority party; and you can forge a grand coalition when historical imperatives demand such a state of politics. To suggest, however, that, no matter what, all parties in Parliament must band together to form a government is to make light of politics. To ask for a national government now is, therefore, to push us all from wariness into a quagmire.

The point, in the end, is politics. Let it take its natural course. Let the will of the people, expressed through a transparent, unfettered exercise of the ballot, take precedence over all other thoughts running riot in our collective imagination. That the constitution is sacrosanct, that Parliament is supreme, that sovereignty rests in the people -- all of these truths must be reasserted in the weeks and months up ahead. There is no other way for us to reclaim our place in the global hall of respectable governance. Let no one pretend there is.

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Barack Obama's slew of firsts

LETTER FROM AMERICA

Being first comes naturally to Barack Obama. In securing the presumptive nomination of the Democratic Party, he scored a slew of firsts. Obama is clearly the first African-American to clinch the presumptive nomination among the two major US political parties. With an African (Kenyan) father and a Caucasian American mother, Obama is a true African-American.

FAKHRUDDIN AHMED

BEING first comes naturally to Barack Obama. In securing the presumptive nomination of the Democratic Party, he scored a slew of firsts.

Obama is clearly the first African-American to clinch the presumptive nomination among the two major US political parties. With an African (Kenyan) father and a Caucasian American mother, Obama is a true African-American.

Obama is the first presumptive nominee whose father was not an American citizen. Barack Hussein Obama Sr. was a graduate student from Kenya in Hawaii (where he met and wed Obama's mother) and

Harvard University, before returning to Kenya.

Obama is the first presumptive presidential nominee to have been born in the state of Hawaii. He is also the first candidate with more than 1.5 million small donors.

Obama is the first presumptive presidential nominee to earn an undergraduate degree from Columbia University in New York, and the first to have attended Occidental College in Los Angeles. He is also the first presumptive nominee to have been the president of the Harvard Law Review.

Obama is the first presumptive nominee with an Islamic heritage, from his father's side. However, there is no truth to the rumour that

he also has Irish blood. (An Irish pop group has come out with a song claiming that "O'Bama" is as Irish as O'Brien or O'Sullivan or O'Neill!)

Obama is the fourth Illinois elected official to clinch a major party's presidential nomination. If elected, Obama will be the first US president from Illinois since Abraham Lincoln. Ronald Reagan was born in Illinois and was the governor of California (1966-74) before he became president in 1980. Obama is the only first-term senator to be the presumptive nominee of a major party since Warren Harding in 1920.

Harvard has been in the business of electing US presidents since the first US election in 1789. There have

been seven Harvard graduates to make it to the presidency: John Adams, his son John Quincy Adams, Theodore Roosevelt, Franklin Roosevelt, Rutherford Hayes, John Kennedy and George W. Bush.

If Obama were to win, he would be the first US president from Harvard Law School since Hayes, who graduated in 1845. Presidential nominees with Harvard degrees who lost include Michael Dukakis, who graduated from the law school, and Al Gore.

Theodore and Franklin Roosevelt went to Columbia Law School. Obama will be the only nominee to have attended Columbia as an undergraduate. General Dwight D. Eisenhower was Columbia University's president after World War II and before he ran for president in 1952. Obama transferred to Columbia in 1981 from Occidental.

Through April, Obama raised money from a record 1.5 million donors, bringing in \$256 million for the primary election, just behind the \$262 million taken in by Bush in 2004. Obama's campaign confirmed that he has now surpassed Bush's record, becoming the biggest

fundraiser in US presidential history.

The first Democratic convention Obama ever attended was Los Angeles in 2000, and his credit card bounced at the rental-car office. He also was not able to secure a floor pass, and watched most of the speeches on television screens.

Obama, who will officially be nominated at the Democratic convention on the 100th birthday of Lyndon B. Johnson, will deliver his acceptance speech 45 years to the day after Martin Luther King Jr.'s "I have a dream speech."

None of this would have happened if Hillary Clinton had followed a more sensible route in her political life. Hillary was born in Chicago. After Bill Clinton left the White House in 2001, Hillary should have returned to her native Chicago and sought public office from Illinois.

Barack Obama went to Chicago by accident. As an undergraduate and graduate student, he was looking for some community work and went to Chicago responding to an ad. He decided to stay in Chicago, first as a community organiser, then

as a state senator and finally as a US Senator.

When Hillary sought the Senate seat from the state of New York in 2000, that Robert Kennedy once held, she was labeled a carpetbagger with no link to the state of New York.

Had she returned to Chicago, she would have been welcomed back as the native prodigy. Chicago and the state of Illinois would have embraced her candidacy for the Senate in 2004. Hillary, rather than Barack Obama, would have been elected senator from Illinois in 2004.

Hillary, rather than Obama, would have been the presumptive nominee of the Democratic Party and quite possibly been elected the president of the US in 2008.

After her magnificent concession speech on June 7, in which Hillary unequivocally endorsed Obama for president, perhaps Obama should seriously consider picking Hillary as his running mate and thus secure the votes of millions of women energised by Hillary's candidacy.

Dr. Fakhruddin Ahmed is a Rhodes Scholar and a Daily Star columnist.

Papa Bongo's big smile

CLOSEUP JAPAN

Papa Bongo is an elected president, as much as our own two past dictators could be called elected. Doctoring election results is a much-liked practice by the dictators anywhere in the world, and here too all of them follow their distinct ways and practices to put a stamp of being elected by the people in the credentials that they love to present to the larger patriarchs of world politics. Dictators do sometime resort to elections, but they make sure that the result turns out to be exactly the one that they wish to see.

MONZURUL HUQ

WHAT does a dictator look like? I don't think it's an easy question to answer. More because of the fact that the two dictators many of us have the unhappy memory of encountering in our brief history look so different makes this easy question a much more difficult one to answer. One had an inborn inability to smile, and the other, though keeping a smiling face most of the time, had a foxy cunning look full of deception and dishonesty. So, if anyone is looking for a facial expression of a dictator that might

resemble or symbolise Gabriel Garcia Marquez's patriarch in his twilight by looking at our own dictators is bound to be disappointed.

I was haunted by this same question for very long, and deep in my heart cherished the desire of having an opportunity of seeing a dictator in the true sense, both in the outward look as well as in methods and practices dictators tend to follow. I'm pretty much sure Pinochet, Mobutu, Suharto, and the one from our former partner country, who all of a sudden evaporated in mid-air leaving behind as many unanswered questions as his

own character, had all the evil virtues combined in one human body.

But I had the misfortune never to come anywhere close to any of them. And then, all of a sudden, my hidden desire was eventually fulfilled, as I found myself standing very close to a shiny dictator with a smiling face in Tokyo.

Papa Bongo is an elected president, as much as our own two past dictators could be called elected. Doctoring election results is a much-liked practice by the dictators anywhere in the world, and here too all of them follow their distinct ways and practices to put a

stamp of being elected by the people in the credentials that they love to present to the larger patriarchs of world politics. Dictators do sometime resort to elections, but they make sure that the result turns out to be exactly the one that they wish to see.

Omar Bongo unleashed a multi-party democratic system in his homeland Gabon in the early 1990s after ruling with an iron hand for almost a quarter of a century. In 1967, he became one of the youngest African leaders to take the helm of an independent state when the French decided to leave the country. His ascent to the presidency coincided with his country's emergence as the third largest oil producer in Africa.

As oil money spoils the rulers down to the core, as has been exposed through gestures and attitudes of those in desert kingdoms, Bongo too quickly realised that money could be the most effective tool to keep a hold over power and influence. Unlike the masters of the desert kingdoms, Bongo decided to use that money-power within the perimeters of his

own country. Petrodollars inflated the salaries of civil servants and also kept most of the people fed and dressed.

Meanwhile, France, the main beneficiary of the oil resource of Gabon, guaranteed security by maintaining her military presence. The situation was perfect for the budding dictator to indulge in practices that dictators everywhere like most -- sowing the seeds of their self-proclaimed fame by naming everything after themselves. Most of the cities and towns in Gabon these days have at least one Boulevard Omar Bongo.

There are stadiums, hospitals, gymnasiums and universities everywhere in Gabon that carry his name, and even the remote town where he was born has been renamed Bongoville to show respect to the person who is now set to make a new world record of being the longest serving president of a country.

Omar Bongo is lucky in the sense that he became head of the state at the age of 31, and is well-placed now to survive and surpass all others. He is definitely eyeing a

record that would be extremely difficult to break in coming days. Shortly after managing a victory in the 2005 election, Bongo proudly declared that he would run again in 2012; as for his country the best, he thinks, is yet to come.

One good thing for him being a dictator is that these days he doesn't intend to banish his opponents altogether. Instead, he buys them outright, using his inflated coffer of petrodollars. So, whenever there is serious resentment against the government, the leading figures of anti-government movements are offered lucrative cabinet posts, and soon afterward resentments simply disappear.

Omar Bongo was in Japan during the last week of May to attend the Fourth Tokyo International Conference on African Development held in Yokohama. An African Fair was organised in connection with the conference at a venue adjacent to the media center. He was among the few dignitaries who were invited to open the fair officially.

The Japanese Prime Minister Yasuo Fukuda and Marc

Ravalomanana, president of Madagascar, were also among them. I had a rare opportunity to be at the opening ceremony, and that allowed me to see for the first time a real dictator and his behaviour.

As I was late arriving at the venue I was standing at a place close to the VIP entrance, and soon I saw a short, mustached figure in big glasses going towards the podium, passing through the narrow passage where I was standing. He was wearing a fashionable suit most likely designed by one of those well-known French designers.

The three heads of governments and states later made brief statements before they were requested to move over to the podium once again for the official ribbon cutting ceremony that would mark the opening of the fair.

Seven dignitaries including the three VIPs were on the podium as the Master of the Ceremonies was explaining when to cut the ribbon at the same time. All of them were given white gloves and scissors. Just before the start of the countdown for cutting the ribbon, Bongo used his scissor and cut his part of

the ribbon. Part of the ribbon fell to the ground, and Akira Amari, Japan's minister of trade and industries who had been standing next to Bongo, had to pick up the piece and hold it in one hand to make the whole ribbon look like a long uncut piece. And what did Omar Bongo do at that moment? He was smiling, as if nothing had gone wrong and it was a big joke. He, of course, joined the others to cut the ribbon once again, with another big smile.

Later thought about the episode to figure out if it was a mistake on his part, and then I realised that dictators were not supposed to make any mistakes. Bongo, being a dictator, is simply not accustomed to waiting for anything, and no one keeps him waiting. All of a sudden, he was asked to wait before he was allowed to cut the ribbon. His unconscious mind probably gave a signal that he shouldn't do what he had never done before. His hand then made the move following the instruction of the mind of a dictator and part of the ribbon fell to the ground, bringing a big smile on the face of this shining dictator.

Monzurul Huq writes from Japan.