

Consumer rights law in sight

This govt should at least set up mechanism for implementation

After one decade and a half of deliberations marked by repeated drafting of a law to provide protection to consumer rights, often blatantly violated in a patently sellers' market, we have, at long last, the final draft approved by the council of advisers. Under the ordinance, not merely retailers would be penalised or imprisoned for shortchanging customers in price, quality, weight and measure but an aggrieved consumer could seek remedy against any unfair practice adopted by a producer, manufacturer or distributor of goods and services. Cheating consumers through false advertisement about product features and selling of adulterated foods will be liable for punishment.

There are three vital parameters of ensuring that the legislation ultimately serves the purposes for which it is being brought about. The first issue revolves around adequacy of the law itself; the second relates to institutional preparations or mechanisms needed to implement the law; and the third concern has to do with consumer awareness and sensitisation of the need to lodge complaints with designated authorities for redress.

As for the adequacy of the law, we are in total agreement with the view that we need a comprehensive competition policy as a complementary safeguard for the protection of consumer rights. The consumer protection ordinance cannot in isolation achieve its purpose, it has to have the underpinnings of a competition policy envisaging fair trade practices as obtaining overseas. We know all too well that the consumers ultimately fall prey to restrictive trade policies, monopolies, cartels and syndicated activities.

The institutional framework as provided in the ordinance includes a 21-member national council to oversee the new laws and their enforcement aided by 10-member committees in districts, upazilas and unions. A national consumer rights protection (CRP) directorate will be in charge of implementing the law. The consumers may approach the directorate with their grievances or file complaints with the committee, whereupon a first class magistrate will hold trial of the cases.

We appreciate government's efforts to bring about a consumer protection law. And echoing the views of the CAB we hope that this will be perfected in the light of experience. However, the government will have furthered the cause should it be able to put the basics of an institutional mechanism in place and initiate a campaign of awareness among the people about how to assert their rights. When democracy comes, the process will naturally receive a fresh impetus.

A celebration of life

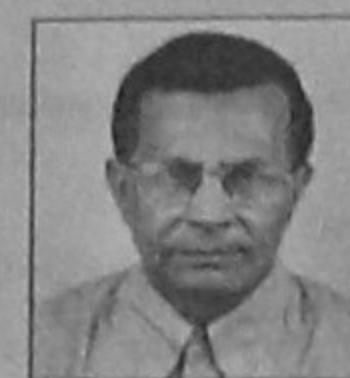
Why talent needs highlighting and nurturing

There has regularly been talk of latent talent lying generally undiscovered all over Bangladesh. Such talent has not so often been spotted and brought into the limelight. Against this backdrop, on Friday, *Celebrating Life*, a cultural event organised by The Daily Star in association with Standard Chartered Bank brought to the fore an array of talented young people in such fields as lyrics, photography and documentary films. What *Celebrating Life* asserts is the principle that searching for talent throughout the length and breadth of the country cannot but be a continuous, deeply satisfying affair. In this connection, the quality of the lyrics, photography and films that was on display on Friday was a very strong indication of how much more can be spotted and harnessed in Bangladesh through such culture-specific steps. Indeed, with such aspects of culture not adequately focused on in recent times, it is important that more be done to reinforce the traditions that have historically solidified our society.

The event underscores a salient fact of life in Bangladesh today. It is that beyond all our preoccupation with politics, with questions of daily life as it were, the richness that has emphasised our cultural creativity has never diminished. It may be that talent may sometimes have been overwhelmed or overtaken by more pressing realities. The fact remains, though, that given the necessary openings and encouragement, individuals, especially the young, have demonstrated remarkable skill and have gone on to achieve wonders. What *Celebrating Life* offers, therefore, is a strong underpinning of the thought that we owe it to ourselves to enhance the quality of our lives through promoting culture as a generational continuity. On Friday, the men and women who stepped up to the stage to be acknowledged for their abilities were but a broad hint that there are scores upon scores of others like them in this heritage-driven country.

It is surely the job of society to stress the growth and enrichment of culture in a country. Culture or aesthetics, in our times, is also a theme that needs to be addressed by private enterprise. That is the message coming out of the celebrations on Friday. Let such endeavours be a boost for a full, purposeful flowering of culture in the villages and towns of Bangladesh.

Why is the price of rice still so high?



ABDUL BAYES

WHY did the rice price not fall after a bumper boro harvest? We all have been hunting for an answer to this crucial question that made policy makers perturbed and astonished academicians. Historically, harvest sales led to an augmentation of supply in the market to reduce price down in the post-harvest period.

Harvest sales are done mostly by the poor farms that are in dire need of immediate cash in hand to pay debt or meet other needs.

Economists have traditionally termed them as "distress sales" which, allegedly, robs farms of the good returns had the products been permitted to pile up for few more days.

Why were farmers not responsive to market signals? An appealing answer to this question was given by Brac executive director, Mahabub Hossain, and his co-researcher in a recent seminar hosted by Brac Development Institute (BDI). Presided over by BDI director, S. Hashemi, the

BENEATH THE SURFACE

Between 1988 and 2004, paddy prices increased marginally while prices of other crops shot up significantly. Thus growers of paddy were penalised and those of other crops were rewarded for a pretty long time. It is only since 2004 that paddy prices began to rise at par with other commodities: from Tk.288 per maund in 2004 to Tk.500 per maund in 2007 (improved variety).

researchers ran through household level marketing behavior for last two decades. Allow me to submit a summary of the deliberations in that seminar.

Rural households have small marketable surplus -- the residual after meeting home consumption. The increase in domestic production may not have been of an order to meet the demand-supply gap for urban population. The overall picture is that roughly 35% of the production of rice enters into the market. It is indeed much higher than late 1980s when the share was only 26%.

Rice is a strategic commodity and its supply responsiveness should not be compared with other commodities. However, about three-fourths of rural households are deficit households and roughly a little over one-tenth -- owning more than 1 hectare of land -- are surplus farmers. So, a rise in price is good news for 12% of rural households and a bad news for 70%.

Second, farmers have substantial stockpiling capacity. As the researchers pointed out, 12% of the production is stored in lean period

(before a monsoon harvest) and 22% in peak period (one month after boro harvest).

It is, thus, no wonder that surplus farmers withhold sales in the face of surging prices in the international market that pass through the domestic market. Even the deficit farmers do the same thing, fearing that they would have to buy back rice at a much higher price. It is wise to sit on small stocks till the cloud disappears.

How do they then manage their cash requirements? The researchers reported three ways of meeting the post-harvest cash crisis.

First, it appears that flow of remittances increased the resilience of farms. In 1988, the share of remittance to household income was barely 6% that increased more than three folds to account for 19% in 2007. Even households with only homestead land reaped a reward from remittance: from 3% in 1988

to about 22% in 2007! Quite obviously, remittances lessened liquidity burden.

Second, rural households now have more access to credit than before. For example, credit consti-

tuted 6% of household income in 1988 and about 37% of households had access to credit. By 2007, the shares, respectively, stood at 12% and 45%. Thanks to the NGOs, poor households had benefited from their credit programs. But, admittedly, credit per se might not have masterminded stockholding capacity -- since credit is also costly in terms of interest rate and installment payment -- but could have signaled a support in case serious crisis crops up.

Finally, the seasonal variations in prices narrowed down substantially between 1988 and 2007. For example, in 1988, the price spread between harvest and yearly average price of paddy was 10-13%. By 2007, the spread stood at roughly 6-7%.

Thus harvest sales are no more "distress sales" as sellers do not lose significantly from such sales. Again, it has been observed that both large and small farms participate in harvest sales. It may be noted that growing integration of markets -- thanks to infrastructural and communication development -- contributed to narrowing down

the price spread between comparable periods.

By and large, it seems that harvest sales dropped significantly fueled by two developments: back up measures for meeting crisis for the poor (credit and remittance) and stockpiling capacity of the large land owning groups. Both rich and poor are performing on price expectations. Now that the international price of rice dropped from \$1,000 per ton to \$550, the calculus of stockpiling might need a revisit and domestic price might face a marginal decline through disposal of held up stocks.

Between 1988 and 2004, paddy prices increased marginally while prices of other crops shot up significantly. Thus growers of paddy were penalised and those of other crops were rewarded for a pretty long time. It is only since 2004 that paddy prices began to rise at par with other commodities: from Tk.288 per maund in 2004 to Tk.500 per maund in 2007 (improved variety).

Finally, the seasonal variations in prices narrowed down substantially between 1988 and 2007. For example, in 1988, the price spread between harvest and yearly average price of paddy was 10-13%. By 2007, the spread stood at roughly 6-7%.

Thus harvest sales are no more "distress sales" as sellers do not lose significantly from such sales. Again, it has been observed that both large and small farms participate in harvest sales. It may be noted that growing integration of markets -- thanks to infrastructural and communication development -- contributed to narrowing down

between 1988 and 2004 -- from 64% to 43%. Against this improvement during about 20 years, poverty rose between 2004 and 2007 from 43% to 47%.

Self-assessment criteria also bear that out as both landless and land-owning households indicated substantial improvement in economic conditions. But when asked about the change between 2006 and 2007, majority reported their deterioration in economic condition. Is the deterioration due to abnormal rise in rice price? Possibly it is, because 71% of landless and 64% of land-owning households adduced the deterioration to high prices.

The policy implication is that the very poor should be protected through safety-nets and social protection. The fixed income groups should be helped through wage adjustments. But on all counts, paddy prices should not be allowed to reach a level that induces disincentive to farmers.

In fact, one of the ways to help producers is to reduce the costs of inputs. And that has to do a lot with improving efficiency in delivery mechanism and procurement of inputs. The government should play a more active role coming out of the cave. And in the long run, more investments in science and technology in agriculture should satisfy the two opposing groups: consumers and producers.

Abdul Bayes is a Professor of Economics at Jahangirnagar University. For feedback please contact: abdulbayes@yahoo.com

Facing post-transition challenges



KAZI ANWARUL MASUD

GOING DEEPER

One hopes that the future leaders of Bangladesh who would emerge following the elections and would be required to take the country to a higher level of socio-economic development would remain faithful to the precepts of democracy and would also be alive to the realities of the present global political order while dealing with the problems facing the people.

ernment that at least in theory gave power to the people. Some countries in our neighbourhood have been more successful than others. But politics aside, people in Bangladesh at the moment are equally anxious about the rise in the price of essentials as they are about the re-establishment of democracy. The people, however, do not want to be showered with "guided democracy" by a "moderate oligarchy," as was the case in Pakistan, who do not have to account for their actions.

Thomas Jefferson asserted in the Declaration of Independence the importance of "the right of the people to alter or abolish (government) and to institute new government." It is said that the most important thing that a constitution constitutes is neither of the national government nor even the supreme law but that of one sovereign national people who may alter their government or supreme law at will.

Given the successful practice of democracy in India since independence from British rule, former colonies regaining independence from colonial masters were naturally attracted to this form of government that at least in theory gave power to the people. Some countries in our neighbourhood have been more successful than others. But politics aside, people in Bangladesh at the moment are equally anxious about the rise in the price of essentials as they are about the re-establishment of democracy. The people, however, do not want to be showered with "guided democracy" by a "moderate oligarchy," as was the case in Pakistan, who do not have to account for their actions.

In developed countries, the electorate is acutely aware of the candidates' position on incomes, tax, holiday, health facilities, and educational opportunities for their children as well as of national security so that their way of life is not threatened in choosing their representatives to the presidency and other political offices.

This awareness of material well-being of the people may be seen as mercantile and devoid of idealism. Some political scientists would argue that mature societies are more likely to successfully practice democratic norms than those who do not fall into this category.

Professor Adrian Leftwich quotes G. Kitching's observation that "materially poor societies cannot produce the democratic life which is an essential pre-requisite for the creation of socialist democracies." Only economic growth through industrialisation, insists Leftwich, can provide the platform on which democratic values, institutions, and process can be sustained.

This argument that democratic political development with a combination of economic, social and cultural factors are unlikely to exist in underdeveloped economies is supported by S. M. Lipset. One can also discern in such argument the validity of the preconditions that Francis Fukuyama thinks are necessary for sustaining the democratic process, the most important being a reasonably high level of economic development.

Western skepticism about sustainable democracy in the Muslim countries is not only due to the comparatively low level of economic development, but also due to their suspicion, gained on the ground, that Islam does not subscribe to the principle of giving unto Caesar what is Caesar's and unto God what is God's. In other words, the separation of the church and the temporal power is blurred in Muslim countries.

Beside historical rivalry between Muslims and Christians, a thesis successfully propagated by

dox perspective of development -- generation of economic growth through promotion of free-market principles -- most of the followers of these principles turned into turkeys instead of tigers.

One may wonder whether religion can act as a barrier to the spread of democracy. Skepticism has been expressed about Samuel Huntington's "fourth wave of democracy" in the Greater Middle East spurred by President Bush's promise to do so in the light of democracy deficit in most of the members of the Organisation of Islamic Conference.

Western skepticism about sustainable democracy in the Muslim countries is not only due to the comparatively low level of economic development, but also due to their suspicion, gained on the ground, that Islam does not subscribe to the principle of giving unto Caesar what is Caesar's and unto God what is God's. In other words, the separation of the church and the temporal power is blurred in Muslim countries.

Beside historical rivalry between

Muslims and Christians, a thesis successfully propagated by

Princeton University historian Bernard Lewis, the struggle between Muslims and Christians started with the first Arab incursions in the 8th century and remained implacable to the final Turkish retreat in the 20th century as testimony to Islam's refusal to accept Christianity as an equal.

Therefore, writes Lewis in his book *The Crisis of Islam*, the American president is the successor in the long line of rulers from the Byzantine emperors of Constantinople, the Holy Roman Emperors of Vienna and all who represent the "land of the unbelievers."

Samuel Huntington appears to agree with Lewis's thesis that the West is "facing a need and a movement far transcending the level of issues and policies and the governments that pursue them. This is no less than a clash of civilisations -- the perhaps irrational but historic reaction of an ancient rival against our Judeo-Christian heritage, on secular present, and worldwide expansion of both."

It is doubtful that in the absence of the terrorist attacks of 9/11 that the writings of Bernard Lewis and Samuel Huntington would have received such width of attention on the part of the Western policymakers, particularly of the Bush administration.

While it can be argued that in the face of phenomenal growth registered by China, South Korea (before its transition to democracy), Taiwan, and Singapore (democratic credentials questioned by some) embracing authoritarian

political system but adopting free market economic policies that for developing countries, unfamiliar with liberal political thoughts and their practices, a type of "guided democracy" favoured by the former Pakistani President Pervez Musharraf would be ideal.

But then, with the end of the Cold War, the Western powers who had promoted authoritarian rulers in many developing countries dictated by the dynamics of the US-Soviet tensions are now themselves impatient to abandon their support of such a system. It is no longer fashionable to embark on an ideological war because communism, except for some pockets still harboring communist practices, has virtually gone with the wind.

Besides, the developed countries have come to realise that it is better to allow all shades of opinion to flourish in pluralistic society than to adopt exclusionary policies about some opinions and forces, because stifling some while promoting other strands of thought may be inimical to the security of the developed countries.

One hopes that the future leaders of Bangladesh who would emerge following the elections and would be required to take the country to a higher level of socio-economic development would remain faithful to the precepts of democracy and would also be alive to the realities of the present global political order while dealing with the problems facing the people.

Kazi Anwarul Masud is a former Secretary and Ambassador.

Triumph of democracy



KULDIP NAYAR

writes from New Delhi

BETWEEN THE LINES

What is, however, disconcerting is that New Delhi tends to copy Washington. America likes dictators because it finds them more convenient to deal with. A democratic structure is found cumbersome, because it requires the participation of elected representatives who are many in number. India's officialdom is inclined to prefer one person to the government of people. Yet the support to the authoritarian setup does not have popular acceptance.

tion, does not represent the government's position. He had said that Musharraf's resignation would create a vacuum where the radical extremist outfits would be free to do what they liked.

Foreign Minister Pranab Mukherjee has clarified that Musharraf's exit was Pakistan's internal affair and that it would not affect bilateral ties. The BJP, which is hawkish on Pakistan, has also said that it was not concerned over Musharraf's exit, and that it was Pakistan's domestic politics.

Even otherwise, a military dictator in India, which has insured people to democracy is considered anachronistic. A remark here or there to recall the "services" of Musharraf to Pakistan should not be taken as an expression of Indian opinion.

National Security Adviser M.K. Narayanan's statement, made one week before Musharraf's resigna-

tion, does not represent the government's position. He had said that Musharraf's resignation would create a vacuum where the radical extremist outfits would be free to do what they liked.

India's officialdom is inclined to prefer one person to the government of people. Yet the support to the authoritarian setup does not have popular acceptance.

A few Indian newspapers have expressed their apprehension of uncertainty after Musharraf's exit. But this is because they have come to equate Pakistan with military junta. The 50-year-rule of the military has changed perceptions about Pakistan in India. It is gener-

ally believed that the army would never quit Pakistan, and the people there have more or less reconciled themselves to the eventuality.

This makes it all the more necessary that the army's role in Pakistan is lessened. The real test in the mind of Indians is the control of Inter Services Intelligence (ISI). If the original decision to put the agency under the Interior Ministry is restored, the space of the army would shrink and that of democratic forces expand.

Never too suffered from his policies, which pushed Talibanism into India. When Washington, Musharraf's guide and philosopher, asked him to fight the Taliban, he did so half-heartedly, giving them shelter while operating in Afghanistan. The result is a bomb blast every week in one part of Pakistan or the other. Musharraf did not understand the ethos of democracy. Nor did he care about.