

Begum Zia's reform signals

Good sign, hopefully sincerely meant

BNP chairperson Khaleda Zia's readiness to drop the bad elements from her party and go for a dialogue with Awami League president Sheikh Hasina are steps which we welcome. Such move will help inaugurate a fresh new democratic spirit in the country, one that we as citizens have for years been advocating. In fact, it has always been the desire of the people of Bangladesh that a productive and genuine democratic order be set in motion as a precondition for the overall development of the country. Within such a programme of democratic reawakening must be included a democratisation of the inner party working process, the right of independent thinking within the parties, indeed the right of party leaders and workers to voice dissent over issues they cannot morally agree with. In other words, for democracy to work, it is for the parties to ensure that freedom of thought characterises their own functioning.

The nation's expectations from the political parties, particularly the major ones, are really very simple and uncomplicated. They basically centre around the need for the political classes to ensure that Parliament functions independently and thereby reassures the country that it is the centre of all political and administrative action. This can be done through giving space to the opposition, for pluralism demands the presence of a strong opposition that will play its due role. Additionally, democracy underscores a vibrant working of the political party system as well as a constant upholding of the rights and interests of citizens. In this context, it must be made clear that the nation will certainly not accept a return to the mass arrests and the deaths from 'crossfires' that became a hallmark of the last political government, some aspects of which continue even today. Democracy implies a strong sense of tolerance for the views of the other side. Indeed, it was such a spirit that worked back in the days of the anti-Ershad movement in the early 1990s, when the major parties and alliances united around a common charter of aspirations, popularly known as the 19-point agreement involving the 15-party alliance, the seven-party combine and the Jamaat. The agreement envisaged a restoration of parliamentary democracy through ensuring rule of law and the fundamental rights of the people. The unfortunate failure of the politicians to work on it and in fact negate it has brought us to this sorry pass today. Eighteen years on, though, we suggest that the old charter be revived, with the necessary changes attuned to present-day requirements, in the greater interest of the nation.

A new culture of political accommodation, based on the principles of tolerance and cooperation, is called for. We are happy at Begum Zia's attitude. And we hope that there will be similar echoes, on a bigger scale, from the Awami League. The last nineteen months will, we hope, have been a learning experience for the politicians. The lessons learnt ought to be put to constructive use.

Student clashes

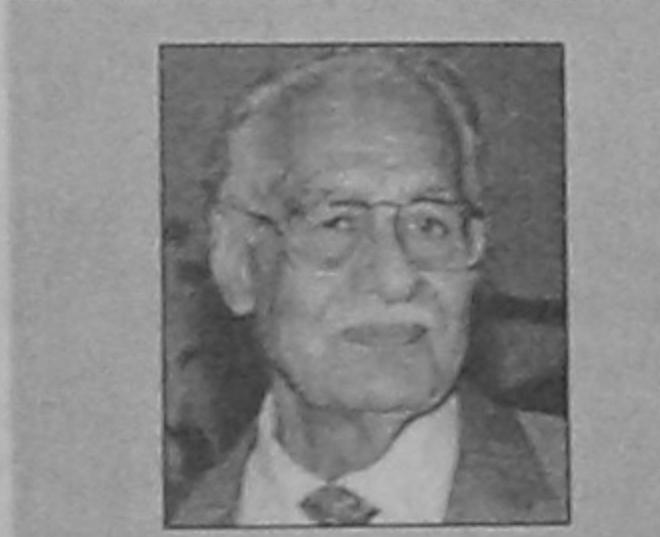
Rein in the cadres now

At a time when the nation is looking forward to holding a peaceful election for transition of power to a political government, clashes between the activists of student wings of major political parties pose a threat to peace at educational institutions of the country. Violent clashes at Rajshahi Medical College between supporters of Bangladesh Chhatra League (BCL) and Jatiyatabadi Chhatra Dal (JCD) over a seat at the dormitory a couple of days back have left many students gravely injured. As a measure to avoid backlashes the authorities have had to close down the college until October 10. Then on Friday, activists of JCD assaulted some students of the department of mass communication and journalism of Dhaka University including journalists on the issue of filming a TV serial in front of Teacher Student Centre (TSC). A number of university correspondents of local newspapers had to be taken to hospitals with injuries.

The manifest unruliness of the students at two different places is something that has an ominous ring about it and has to be looked into with due seriousness by the political parties. Extremely disturbed as we are, we wonder why students belonging to the highest seat of learning must resort to physical violence to settle any issue. We notice with disquiet that after several months of lull the party cadres have once again begun to flex their muscles.

The country is poised to enter a new phase on the political front. This demands showing utmost restraints by all and to say the least, rowdiness anywhere is something that has to be dealt with effectively. If the political parties fail to rein in the musclemen in their student wings well ahead of the election, we fear the whole purpose of fostering a congenial atmosphere for the polls might be defeated. The political parties, therefore, would do a great service to the nation if they sensitise student supporters to be positive and constructive in their activities.

A victory of sorts



KULDIP NAYAR

writes from New Delhi

If one was not opposed to the nuclear device on the point of principle, as I am, one would applaud India for having forced its way through the 34-year-old nuclear isolation. From being a nuclear pariah, it has become a nuclear power, an official member of the exclusive club.

In other words, New Delhi can get nuclear technology, reactors, and fuel from anywhere in the world. The 45-member Nuclear Suppliers Group (NSG) has not only lifted the ban but has also allowed India to retain nuclear weapons without signing the non-proliferation treaty -- a right granted only to a five-member club, the US, the UK, Russia, France, and China.

Credit where credit is due



ABDUL BAYES

BENEATH THE SURFACE

If rural areas are to thrive and poverty to be reduced, there is very little option other than building a large credit network in rural areas. Rural people need the access to credit and evidence is abundant that their repayment capacity remains beyond any doubt. A pro-poor strategy of rural development should see expansion of bank branches and NGO operations in every nook and corner of the country.

of the poor are, thus, established in available literature.

Generation of self-employment in non-farm activities may require investment in working capital and basic skills in reading, writing and arithmetic. Lack of both financial and human capital could constrain the poor from taking up productive pursuits. The amount of financial capital needed may be small but, at a very low level of income, accumulation of that "small" amount becomes a big task.

The situation speaks of the quotation from Adam Smith: "When you have got a little, it is often easy to get more. The great difficulty is to get that little." Obviously, development of human capital involves a long-term process but the shortage of working capital could be addressed in the short-run through making credit available to the poor.

Our policy makers and politicians often talk of the importance of rural credit for rural livelihoods. More often than not, their perceptions are based on poor statistics, mostly derived from secondary sources of information. In this column today, we have used the household level survey data from 62 villages developed through repeated sample survey. The survey started in 1988 and ended in 2008, the most recent one being supported by Brac.

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Historically, the latter dominated

the scenario till governments realised the importance of state participation in rural credit market through banks and, of late, through NGOs. It may be mentioned here that non-institutional sources mainly comprise money-lenders, land owners, friends, and relatives. This source is alleged to charge very exorbitant rate of interest from the clients. Possibly because of the absence of screening and monitoring costs (moral hazards and adverse selection as

well), non-institutional sources continue to still survive with some impunity in rural areas.

From the Brac-backed survey of 2,000 households in 62 villages between 1988 and 2008, we observe the following changes. Only one-tenth of rural households now borrow from non-institutional sources compared to about 30 per cent in earlier periods i.e. in 1980s. This means, access to highly usurious forms of credit (120 percent interest rate per annum) has been replaced by relatively cheap sources of credit (20-30 percent interest rate per annum).

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