

## Apply brake on BCL excesses

*Campus congeniality must be restored*

WE have been urging the government to rein in Bangladesh Chhatra League (BCL) activists since the first reports poured in about their take-over bids in hall dormitories. If it were heeded earlier on, the situation wouldn't have perhaps come to this pass.

Not only have the BCL cadres gone after the rival student factions by forcing them out of the halls of residence, intra-cadre rifts are also playing out. What is dangerous is the magnitude of the phenomenon. Apparently, the BCL command structure has broken down and it devolves upon the AL to restore order within its student wing without delay.

We find it rather inexplicable that it is still not quite clear to the administration why the violent incidents continue to take place in spite of its instruction to the law enforcing agencies to take drastic action against the troublemakers. Even more intriguing is the statement that the government is still investigating. One would have hoped that it would have been very clear by now as to who is behind the current spate of campus unrest.

We understand that the central committee of the AL has called upon their cadres to stop violence but we cannot understand why the call has gone unheeded. We would hope that the PM's call to take strict action against all those responsible for perpetrating violence in the campus will be acted upon immediately, and the police would act firmly and impartially.

We feel that the change of political culture promised by the AL must also be reflected in the educational institutions. But the activities of the BCL in various campuses since the assumption of office by the AL have done very little to further the cause of change. What we have seen so far is not quite the type of behaviour we were prepared to witness. This is not quite the change we want to see, certainly not in the educational institutions.

However, we feel that the situation can be rolled back if the AL acts decisively to bring to book the troublemakers belonging to the BCL, and, along with other political parties, works towards restoring a congenial atmosphere in the educational institutions. In this regard the 22 point accord reached by the political parties and various other organisations of Rajshahi city to keep its educational institutions free from student unrest and other criminal activities may be worth emulating.

## Concern over industrial pollution

*Action plan needed to contain it*

IT is a matter of utmost concern that many industrial units in the country keep releasing toxic gas and chemicals into the environment to the peril of human health, crops and aquatic resources. What is supremely ironical is, while the owners of these industrial units as responsible citizens contribute significantly to the growth of the economy and generation of employment opportunities, they prefer to remain indifferent to the vital issue of environment pollution and the resulting damage to eco-system.

The countryside is dotted with mills and industries ranging from cement factories to brick kilns that are constantly releasing carbon dioxide, sulphur, ammonia, urea, dust particles in total violation of the laws of the land. It is common knowledge that these highly toxic substances are slowly destroying micro-organisms that are important for maintaining a balance in nature. We have already lost a large variety of life forms because of environment pollution and many more are on the verge of extinction.

It is time for the relevant ministries and departments to enforce anti-pollution laws, especially in the industrial field. It is at the time of issuing licences for industries that the applicants should commit themselves to stringent environmental criteria before they are authorised to set up units. Then, there should be oversight bodies to monitor their performance from time to time.

While industrialisation is necessary to boost our economy and create employment opportunity, it is equally essential that factory owners obey the laws and install protective measures of international standard. Industrialisation cannot happen at the cost of our agriculture, fishery, forests and animal and human health.

We strongly urge the new government to attach maximum importance to reviewing and revising the existing laws concerning protection of all sorts of flora, fauna and micro-organisms and go for their implementation without any let-up. If we do not protect and conserve our environment today, we shall leave nothing worthwhile for the posterity tomorrow.

## Price stability and political commitment

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ABDUL BAYES

UNDOUBTEDLY, the most immediate task of the newly elected government would be to arrest the price spiral. Inflationary pressure left poor people impoverished for the last few years. And that has already been mentioned by the newly elected PM as well as her ministers in the cabinet.

How to stabilise prices? There are many ways but I shall present only a few.

As of now, the stock of food grains is estimated to be around 12-13 lakh tons, international oil price has nose-dived in the recent past, forex reserve is in comfortable condition, exports and remittances are going strong, amon production was not very badly affected this year, the exchange rate is stable, etc.

Above all, the commitment of the party in power to lower food prices has already created a stir among the hoarders at household or business level to release the surplus in the market. The price of rice has already begun to fall. The position is unlikely to change in the current year.

I personally feel that price stability is more a matter of efficient -- management than anything else. The government

should ensure that farmers get inputs on time and at reasonable prices (not at 'no' prices) -- along with new technology to augment domestic supply.

To this effect, *pari passu* election pledges of the party in power, the prices of imported non-urea fertilisers have been reduced to almost half, and diesel price has been reduced, albeit marginally, to positively affect farmers' returns. The next step is to ensure that inputs are delivered on time. That requires proper monitoring of the actors in the distribution chain and severe punishment of hoarders, irrespective of political affiliation.

Stabilisation of prices requires three "C"s: commitment, competence and coordination. Commitment comes from the realisation that the people are supreme and should be served sensibly. Competence lies mostly with the bureaucracy and the evaluation and monitoring units in identifying bottlenecks and checks.

Coordination implies regular contact between, say, the finance, agriculture and industry ministries in the case of subsidies, or between the commerce and agriculture ministries in the case of imported fertilisers. The more the cohesion, the better it is for the



To bring down price, help the farmers.

cost effective availability of inputs.

The business community should receive the signal that most of the poor people voted for AL. It is the moral obligation of the present government to see that the level of prices should not pinch the poor. Again, with a downturn in the international spectrum, there is no reason why Bangladesh should not face a commensurate fall in prices.

The question is not of replacing the market with the government but of making markets work smoothly without any resort to unholy alliances. If the market fails to deliver the desired goals, the public sector should immediately complement the supply chain.

The present government has the advan-

tage of its experience of managing the economy reasonably well during 1996-2000. That experience should serve as a foundation stone, coupled with a few innovative institutional arrangements in the face of a new economic order.

But the bottom line is good governance: tough on business syndicates, extortion/terrorism and deteriorating law and order condition. This is the change we need. This is the poor man's desire. Given that the concerned ministries are headed by the right persons, I hope the desire can be fulfilled.

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## Gaza is burning

It will be futile to try to solve intractable political problems solely with the aim of not simply bombing the opponent into submission but eliminating them altogether, and then creating resolutions on one's own terms from the rubble! Israel is doing exactly that in Gaza!



M. ABDUL HAFIZ

THE world is witnessing a replay of Israel's 34-day war with Hezbollah in Lebanon in 2006, with some variations. Israel is unleashing hell to "defend" itself as President Bush and president-elect Obama would have us believe. In 2006, the invaders received a befitting response from Hezbollah, but Hamas has been operating in an occupied zone with severe limitations of finances and training facilities. So, Hamas may be unlikely to give Israel the punishment which Hezbollah inflicted on it.

But the war on terror started after nine-eleven at the behest of the US has been thoroughly discredited, not only morally but also militarily and strategically. Yet, Israel is

still inclined towards subduing its opponents with consistent zeal -- disregarding the fact that Hamas was democratically elected.

After several attempts, Hamas and Israel finally agreed to a ceasefire in June last year. But there might have been confusion because both parties came away with a different understanding of what they had agreed to. In reality, although Israel slightly increased the number of trucks allowed into Gaza, the restrictions remained severe. The so-called ceasefire was far short of what the Hamas was looking for.

Since winning the elections, Hamas has sought international credibility and shown maturity by inviting the Fatah to form a national unity government. On the contrary,

the PLO has lost all moral legitimacy and become a stooge of the very imperialist force that it once resisted. The Fatah is colluding with Israel to render Hamas ineffective so that an Israeli-Palestinian settlement is no more hostage to the militant groups that pledge commitment to *Jihad* and are uncompromising on vital issues.

With Abbas on their side the Israelis can be tempted to eliminate Hamas because the US as well as Arab regimes have so far been silent spectators to the perpetration of a "Holocaust" against the Palestinians.

Meanwhile, the world media has attempted to depict the conflict as a symmetrical one, as if Hamas has the capacity to injure Israel in any meaningful way. What has, however, been most unbelievable is the willingness of "enlightened elements" in the Muslim world to condemn Hamas for initiating the rocket attacks against Israel.

Israel has little chance of translating its diabolical game plan into reality. As Israeli troops marched into Gaza, Hamas seemed to goad them on. A Hamas spokesman promised that the Strip would become a graveyard for Israeli soldiers. This represents Hamas's goals, which are to challenge the might of the Israeli military, and to emerge as intact as possible. According to Nicolas Pelham, a senior analyst for the International Crisis Group, the struggle on the both sides is simply for self-defence.

Secondly, the Islamist group appears to have built up its arsenal in recent months, though it does not match the weaponry of the Israeli military. Still, with the size of its military force estimated between 10,000 to 20,000 and its experience in guerrilla fighting, Hamas is likely to put up a hard fight. Hamas also has broader goals defined by the particular nature of the crisis in Gaza. Last week,

Ismail Haniyeh, the former Hamas prime

minister, set out the movement's position in blunt terms: "Our message: end the aggression without conditions, end the siege and open the crossings, then after that we can speak positively nationally [...] and we can start all the dialogues." With that, the movement has sought the leading role in the "resistance" against Israeli occupation; a strategy that it insists brings results and which it frequently contrasts with the path of negotiation adopted by Fatah.

Mouin Rabbani, a senior Fellow with the Institute of Palestine studies, says that ultimately the Hamas goal is for leadership in the Palestinian movement, both in the Palestinian Authority and the PLO. The outfit with such an ambition can hardly be neutralised in Palestinian affairs.

Thirdly, the Iraq war has left Iran the primary sponsor of Hamas and Hezbollah with far more influence in the region than it would have had. The last is Israel's anachronistic strategy of implementing the very tenets of the war on terror that has served the US so badly. On almost every front in almost every part of the world, including in the US, the war on terror is now seen as a colossal mistake.

It will be futile to try to solve intractable political problems solely with the aim of not simply bombing the opponent into submission but eliminating them altogether, and then creating resolutions on one's own terms from the rubble! Israel is doing exactly that in Gaza!

The Palestinian cause is not one that can be expressed in any millenarian religious ideology, nor is it a cause of the Muslims only. So, Gaza must not fall; if it does it will be a defeat for the oppressed and wretched people of world who constitute the vast majority of humankind.

Brig (ret'd) Hafiz is former DG of BISS.

## India's own Enron-plus

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PRAFUL BIDWAI

THE Satyam scandal has been wrongly called "India's Enron," after the gigantic 2001 fraud in the US company. In fact, the Satyam scam is much bigger in magnitude and impact. The amount stolen from Enron was Rs. 2,866 crores at current exchange rates. In Satyam, according to promoter B. Ramalingam Raju, Rs. 7,136 crores were involved.

The scandal's impact won't be confined to its 53,000 employees. India's entire Information Technology industry will be singled.

Satyam has cast a shadow over its remarkable 30% annual growth, generally attributed to virtuousness, brainpower and hard work. It has lowered Andhra Pradesh's image as a land of gutsy businessmen paraded as "Andhra-preneurs."

The scam has exposed huge cracks in India's corporate governance structures and system of regulation through the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs and the Serious Fraud Investigation Office. Unless the system is overhauled, corporations will continue to rob wealth from the public exche-

quer and shareholders.

The Andhra government failed to arrest Mr. Raju for 3 days after he confessed, allowing him time to destroy incriminating evidence. SEBI was effectively barred from questioning him, and the centre too wants to sink money into Satyam.

This suggests he has cut a deal under which his family would be protected.

Contrary to Mr. Raju's earlier claim that he or his family didn't take "even one rupee/dollar from the company..." he now admits he has been cooking Satyam's books for 7 years. He is estimated to have made Rs. 2,065 crores.

Two things are clear. First, Mr. Raju siphoned off thousands of crores. He claims that Satyam's operating margin was a lowly 3%, compared to the 25% plus for IT companies. His margin was indeed higher, then huge sums were spirited out of it.

This trail must be traced. It's likely to lead to real-estate scams and corrupt politicians. Former Union revenue secretary, E.A.S. Sarma, has investigated some tracks through the Right to Information Act.

He found that 18% of a company which is building Gangavaram Port in Andhra is held by Mauritius-based Lakeside Investments. Mr. Raju reportedly owns a company,

Lakeview Investments, at the same address.

Mr. Sarma has raised questions about the way the state handed over 17,000 acres to Maytas Properties and Maytas Infrastructure without competitive bidding. Maytas Infra alone has projects worth Rs 30,000 crores in Andhra. All this warrants an in-depth investigation.

Secondly, surrendering to the Indian police was Mr. Raju's guarantee against extradition for trial to the US.

Enron's Kenneth Lay was to be sentenced to 45 years' imprisonment when he died. If Mr. Raju is tried in India, he could get away with just 3 years. The Satyam swindle happened because all supervisory mechanisms failed, including statutory auditor Price Waterhouse Coopers (PwC), independent directors, and SEBI.

PwC didn't check the account-books thoroughly. Irregularities were noted in its handling of Satyam in 2001. Mysteriously, there was no probe. An MP filed a complaint with SEBI in 2003, but did not pursue it because of political pressure.

PwC should have faced punitive action from the Institute of Chartered Accounts of India for its grave misconduct. Ironically, PwC has two members in the ICAI disciplinary council. The council failed to act.

Satyam's directors were no better. When the board met last month to approve a scandalous proposal to invest \$1.6 billion in Maytas, it didn't even notice the conflict-of-interest in an unrelated business.

These directors collect annual fees ranging from Rs 13 to 92 lakhs for attending a few meetings. They lack independ-

ence, if not integrity too.

Even worse was SEBI's approval of the Maytas deal, which was aborted by investor protests. Other authorities also turned a blind eye to complaints about illegal land allocation to Satyam group companies in different cities.

India lacks good corporate regulation, and enforcement is pathetic. Indian corporate nabobs milk their companies by appointing procurement and distribution agents, underhand overinvoicing imports/exports, evading taxes, indulging in insider trading, and dressing up balance-sheets. Satyam fits this pattern.

We need a Board of audit, which can conduct surprise audit on its own or on whistle-blower complaints. Besides, no auditor should be allowed to continue beyond 3 years.

The government should create a pool of independent directors of high integrity. Impartial authorities, not company managements, should appoint them. Cross-directorships must be banned. All agent appointments must be scrutinised. The conviction rate in corporate frauds must be improved, with stiff penalties.

If an auditor fails in his duty, he faces a ridiculous penalty of Rs. 10,000 and 2 years' imprisonment in India. The US Sarbanes-Oxley Act awards imprisonment for 20 years. The US has greatly improved fraud detection by reforming audit and offering incentives to whistle-blowers.

We must acknowledge that deregulation promoted in the name of creating a "favourable investment climate" is dangerous.

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